



**FOREIGN  
BROADCAST  
INFORMATION  
SERVICE**

# ***JPRS Report***

## **East Europe**

### **DISTRIBUTION STATEMENT A**

**Approved for public release;  
Distribution Unlimited**

REPRODUCED BY  
U.S. DEPARTMENT OF COMMERCE  
NATIONAL TECHNICAL INFORMATION SERVICE  
SPRINGFIELD, VA. 22161

19980204 015

**DMC QUALITY INSPECTED 3**

# East Europe

JPRS-EER-90-024

## CONTENTS

23 FEBRUARY 1990

### POLITICAL

#### ALBANIA

- King Lekka Seeks To Bring Freedom to Albania [Paris LE QUOTIDIEN DE PARIS 24 Jan] ..... 1

#### CZECHOSLOVAKIA

- CPCZ Congress Adopts Provisional Rules [RUDE PRAVO 23 Dec] ..... 2  
 Civic Forum Copes With Challenges  
 [Frankfurt/Main FRANKFURTER ALLGEMEINE 25 Jan] ..... 5

#### GERMAN DEMOCRATIC REPUBLIC

- Institute Journal Critiques Foreign Policy [IPW BERICHTS Jan] ..... 6  
 Academicians Attack Stalinism, Cite Abuses of Power [JUNGE WELT 8 Dec] ..... 11

#### HUNGARY

- MAGYAR NEMZET Ousts PPF, Goes Independent [HETI VILAGGAZDASAG 20 Jan] ..... 14  
 Police Rules of Conduct Published [NEPSZAVA 17 Jan] ..... 14  
 Freedom of Conscience, Religion, Church Status Guaranteed ..... 15  
 Justice Minister's Expose [NEPSZAVA 24 Jan] ..... 15  
 Parliamentary Debate [NEPSZAVA 24 Jan] ..... 16

#### POLAND

- POLITYKA Weekly News Roundup [POLITYKA 13 Jan] ..... 17  
 Mazowiecki on Polish-Soviet Relations, Foreign Policy [RZECZPOSPOLITA 15 Dec] ..... 19  
 PZPR Properties, Finance: Ownership Issue Proves Thorny [RZECZPOSPOLITA 7 Dec] ..... 21  
 Union for Real Politics Chairman on Neoliberal Ideals, Party [PERSPEKTYWY 8 Dec] ..... 22  
 Labor Party Congress Meets, Defines Place on Political Map [LAD 25-31 Dec] ..... 24  
 Citizen Committee Section Activities, Election Preparations [RZECZPOSPOLITA 19 Dec] ..... 26

#### ROMANIA

- Peasants' Party Seen as Strongest Political Force  
 [Munich SUEDEDEUTSCHE ZEITUNG 26 Jan] ..... 27  
 Difficulties in Rebuilding Industry Examined [Paris L'USINE NOUVELLE 4 Jan] ..... 28

### ECONOMIC

#### GERMAN DEMOCRATIC REPUBLIC

- Problems Cited in Shipbuilding Industry [Duesseldorf HANDELSBLATT 4 Jan] ..... 31

#### HUNGARY

- New Agency To Coordinate Foreign Credits, Support, Aid [FIGYELO 4 Jan] ..... 32  
 Scope, Legislative Control of Spontaneous Privatization Discussed  
 [HETI VILAGGAZDASAG 20 Jan] ..... 34  
 Medicor Closes Plant; Declining Socialist Exports Blamed [NEPSZAVA 16 Jan] ..... 34  
 Rupert Murdoch To Buy Mai Nap Publishing [NEPSZABADSAG 20 Jan] ..... 35  
 Housing Fund Functions Described [FIGYELO 4 Jan] ..... 35

## POLAND

National Economic Chamber: Chronology, Goals Reviewed [RZECZPOSPOLITA 4 Dec] .....	36
Lodz Opens Foreign Investment Office [RZECZPOSPOLITA 21 Dec] .....	36
Terms of Helicopter Exports to USSR Clarified [RZECZPOSPOLITA 9-10 Dec] .....	37
Nonpayment Cuts Down on Food Exports to USSR; Other Markets Sought [PRZEGLAD TYGODNIOWY 7 Jan] .....	37
Fear of Nomenklatura Co-opting Privatization Efforts Seen [Copenhagen BERLINGSKE TIDENDE 8 Dec] .....	39

## SOCIAL

### GERMAN DEMOCRATIC REPUBLIC

Resident Aliens' Numbers, Situations Discussed [HORIZONT Jan] .....	42
---	----

## POLAND

Social Aid: No Intermediaries, More Voivodship, Local Control [RZECZPOSPOLITA 19 Dec] ...	43
Homeless Unions Forming Throughout Poland [RZECZPOSPOLITA 21 Dec] .....	43

## ALBANIA

### King Lekka Seeks To Bring Freedom to Albania

90EB0242A Paris *LE QUOTIDIEN DE PARIS* in  
French 24 Jan 90 p 18

[Interview with Lekka I by Christian Villa: "Lekka I: 'I Want To Restore Its Freedoms to Albania'"; first paragraph is *LE QUOTIDIEN* introduction]

[Text] The pretender to the throne of Albania comments on the situation in Tirana, where shots were heard the day before yesterday.

Lekka I, the son of the late King Zog of Albania and pretender to the throne, is of the opinion that the Army and the Sigurimi, the Albanian secret police, are ready to support a popular revolt of the people of Albania in the event of a revolt against Ramiz Alia's communist regime. In exile for 50 years now, Lekka I, who lives in South Africa, confided his impressions of the situation to *LE QUOTIDIEN* during his stay in Paris, where he hopes to meet with French Minister of Foreign Affairs Roland Dumas.

[*LE QUOTIDIEN*] Have the recent upheavals in Eastern Europe aroused in you the hope of being able to recover the throne that your father, King Zog of Albania, had to abandon in 1939?

[Lekka I] Everything depends on the Albanian nation. My first duty is to see to it that this people can freely choose the political system under which it wants to live. But whether it chooses a republic or a monarchy, I'm ready to serve my country to the best of my ability.

[*LE QUOTIDIEN*] In your New Year's message addressed to the Albanians, you said that a good many of them, including members of the Army, would support a revolt against Ramiz Alia's Communist regime. What makes you think so?

[Lekka I] The situation in Albania seems to me to be rather precarious. In Tirana the guard surrounding the residences of the members of the Communist Party Presidium, particularly the homes of Ramiz Alia and Nejmia Hoxha (Communist leader Enver Hoxha's widow), has been tripled. During the past few years a few soldiers and members of the Sigurimi (Albanian Secret Police) have deserted, which could be a sign of discontent within the security forces. We've had contacts with the country since 1961 and I can assure you that some members of the Army and the Sigurimi are ready to support a popular revolt.

[*LE QUOTIDIEN*] Do you think that the Albanian Army could play the same role as did the Romanian Army, whose support for the rebels tipped the scales in favor of the revolution?

[Lekka I] The people of Albania have fierce hatred for the Alia regime. Now, the Albanian Army is an army of

conscripts, just as the Romanian Army is. But unlike the latter, the Albanian Army has had no contact with the Soviet military since 1961.

As in all the East bloc countries, under the circumstances, the USSR intervened in Romania indirectly through contacts between the Soviet and Romanian military.

In Albania this channel does not exist. Not even the Sigurimi has had contacts with the KGB. This police organization constitutes the force that is most loyal to the Albanian Communist Party, as was the case in Romania.

[*LE QUOTIDIEN*] How is the balance of power distributed inside the leadership of the Albanian Communist Party?

[Lekka I] The Albanian Communist Party is led by the Hoxha family clan. Furthermore, it's more like a clique united out of common interest than a clan since the latter was composed of free men who could change leaders. The real power can be found in the hands of two persons: Ramiz Alia, who represents the chief executive, and Enver Hoxha's widow, who with the old guard maintains the party line.

[*LE QUOTIDIEN*] How do you manage to communicate with your followers in Albania?

[Lekka I] Sorry, I can't tell you that. Albania indeed remains isolated for foreigners, but Albanians can get in through the mountains where it's very difficult to maintain an iron curtain.

[*LE QUOTIDIEN*] If you succeed in mounting the throne in Albania, what will your political and economic program be?

[Lekka I] No matter who is president, a free Albania will first of all demand reunification of the Albanian people, now divided between the Yugoslav province of Kosovo and Albania proper. This reunification is necessary if we wish to preserve peace in the Balkans, which are a real powder keg. In connection with this, I'd like to enter into a dialogue with the Yugoslav authorities. Up to now, I've never met with them.

One day [Marshal] Tito pointed out to me through a friend that the son would not do to the marshal what the father had done to Alexander (crown prince of Yugoslavia). I don't trust the Yugoslav leaders. The second point: decollectivization of the land in Albania.

Then free enterprise and lastly religious freedom in this country which is the only one in the world at this time to have erected atheism as an official ideology. This is an enormous task because, in addition, we'll have to try to regain the confidence of an entire people and the credibility the government has lost.

[*LE QUOTIDIEN*] What is the purpose of your stay in France?

[Lekka I] I came here to work, but I'm going to take advantage of my stay in Paris to try to meet with Roland Dumas before his visit to Albania (which should take place in the spring).

## CZECHOSLOVAKIA

### CPCZ Congress Adopts Provisional Rules

90EC0213A Prague RUDE PRAVO in Czech  
23 Dec 89 p 3

[Unattributed article: "CPCZ Provisional Organizational Regulations"]

[Text] CPCZ Provisional Organizational Regulations approved by the CPCZ emergency congress of 21 December 1989.

The purpose of the provisional organizational regulations is to create the preconditions for an effective and unified approach by the Communist Party of Czechoslovakia, its agencies and organizations, and all communists toward carrying out the action program and toward preparations for the regular 18th Party Congress. The provisional organizational regulations result from the current position of the party in society and replace the existing CPCZ Rules up until the 18th Congress.

The Communist Party of Czechoslovakia is a political party which develops its activities on the basis of the action program, the provisional organizational regulations, and the constitution and laws of the CSSR.

#### I. Party Members

1. Every adult citizen of the CSSR who is for a democratic socialist society, accepts and is willing to carry out the party's action program, will conform to the organizational regulations, will work in some party organizations, and will pay membership dues can become a member of the party.

2. Any basic organization can accept members into the Communist Party of Czechoslovakia without a period of candidacy on the basis of the recommendation of not fewer than two party members who have known the nominee for at least 3 years. The basic organizations can accept current candidates as members up until the end of February 1990.

3. Party members whose membership was cancelled or who were unjustly expelled from the party or stricken from its lists after 1968 can become members of a basic organization if they show interest in working in it. The party membership card is issued to them with the date of their original entrance into the party.

4. All members of the party have the same standing in the Communist Party of Czechoslovakia. In the spirit of the action program, they show initiative in working to carry it out. They take part in internal party actions and political activities. They have the right to protection by

the higher party agencies in the case of unsubstantiated political actions against them.

5. Every member of the party has the opportunity to leave the party based on his own freely made decision. The membership meeting of the basic organization bears termination of membership in mind. In a case where a member has demonstrably harmed the party by his behavior, the okres committee and the central committee can also terminate his membership or expel him from the party with the agreement of the membership meeting.

#### II. Principles of Party Discussion, Decisionmaking, Activities, and Management

1. The Communist Party of Czechoslovakia develops its activities on the basis of broad democracy within the party, the application of which means:

a) the inalienable right of every party member to express with total freedom on party ground his positions and proposals for the resolution of problems and the accomplishment of tasks; the higher party agency is obliged to respond directly within 30 days, however, to remarks of the lower party agencies and organizations and to party members and to report on the method and approach of the resolution;

b) freedom of criticism and self-criticism of any member, party organization or agency, and one's own activities; no member of the party can be allowed to be beyond such control;

c) the independent approach of each party agency and organization in resolving local tasks and needs in harmony with the party's political line;

d) approving resolutions basically after broad collective evaluation, checking up on their fulfillment, clarifying points, and getting rid of those points which do not suit the situation and needs;

e) the democratic election of all heads of party agencies from below to above; each party member can be elected to any party function without regard to the length of his membership in the party. The decisive factors are his moral properties and character, his relationship to the party and to socialism, and his ability to push the party policies and to put them into practice;

f) forming the party agencies into corps of elected representatives of the basic organizations which can directly elect their representatives to the party okres committees; the party agencies are responsible in their activities to their voters, who have the right to submit proposals to their members and request the recall of those who do not fulfill their obligations or who have compromised themselves;

g) ensuring the full, objective, and immediately accessible informing of communists about the work of the party and its agencies and organizations;

h) the opportunity for there to exist within the Communist Party of Czechoslovakia various currents of opinion which are joined together by the action program and the party organizational regulations.

*The Conditions for Decisionmaking*

1. The decisive authority belongs only to the membership meetings of the basic organizations and the elected party agencies.

2. For the approval of a resolution, there must be the participation of more than one-half of the members or delegates at a party meeting. Resolutions on all questions, including those of membership, are approved on the basis of a majority of more than one-half of those present. The resolutions of the higher party agencies are the basis for the work of the lower agencies and organizations which apply them to the conditions of their own activities.

3. Decisions of party agencies and organizations are made on the basis of the majority views. In approving them, all positions are taken into consideration; the minority, who will participate in implementation of the resolution, can retain their opinions and on the basis of new information, experiences, and needs can request by intraparty channels that the matters be reconsidered or suitable changes be made in the decisions made.

4. The higher party agency approves resolutions on the basis of utilization of the information and experiences of the lower party agencies and organizations and of communists, justifying and clarifying the idea behind the actions taken; it renders account for its activities to the lower party agencies and organizations.

5. The prerequisite for unity and the capability for action of the party regulations is the conscious discipline of all members which respects the needs of the party and the development of a democratic socialist society.

*Elections Within the Party*

1. The appropriate party meetings decide on the method of elections. The selection of candidates for the party agencies is carried out with consideration of the conditions and opportunities from the greatest number of nominations and top officials are usually chosen from a number of candidates. The winners of elections are those who received a majority of more than half of the votes of the members or delegates present.

2. The party agencies which are elected at conferences and congresses can be supplemented by co-option from among the elected candidates.

3. In selecting and augmenting the members of agencies, the social composition of a given party organization is taken into consideration to achieve a proper representation of communists from the most important enterprises, institutes, agencies, and organizations. The basic organization agrees to the proposed candidates for the party agencies.

*Party Management*

1. The Communist Party of Czechoslovakia is a political organizations in the sense of paragraph 14 of the Economic Code and as an entity has a legal identity. The individual legal entities are the basic organizations of the CPC and CPS, the local and town committees of the CPC and CPS, the okres (or district) committees of the CPC and CPS, and the central committees.

2. The party and its agencies and organizations develop their activities on the basis of their own resources which are created by membership dues and other income. In accordance with the law, they can carry out or participate in economic enterprises with a goal of acquiring financial resources for their activities. They see to the effective and efficient utilization of these resources.

3. The level of membership dues and the necessary part of their contribution for covering the expenses of the party organizations is determined by the congress of the Communist Party of Czechoslovakia. The membership meeting of the basic organizations has the right to reduce the amount of membership dues in individual, justified social cases.

4. Party agencies and organizations and through them all party members are regularly informed as to the property and financial situation and the creation and expenditure of party resources, about which they can express themselves at party meetings.

**III. Party Structure**

*The Basic Organization*

1. The basic organizations are the decisive element of the party. Their main task is to ensure that all party members take an active part in the fulfillment of the action program and acquire other citizens for support of the party policies.

2. Party members form basic organizations wherever there are at least five members of the party. The establishment of a basic organization is reported to the okres party committee, which continuously helps to develop the activities of the basic organization and to cooperate with it operationally in resolving problems.

3. When the number of members of a basic organization drops below five, the basic organization itself decides on the transfer of the members to other basic organizations or the creation of cells and informs the okres committee of its decision.

4. The highest agency of the basic organization is the membership meeting, which takes place as necessary. It elects a chairman, the basic organization's committee, delegates to the conference, and one to three members to handle the management. It decides on all membership questions, including disciplinary ones. Between membership meetings the committee runs the activities of the basic organization in accordance with the conclusions of the membership meeting.

5. Basic organizations can split themselves up into partial organizations, party groups, or in some cases action cells. Trustees who are approved by the committee of the basic organization head up the action cells. The cell trustees maintain continuous contact between the committee and the basic organization's members, organizing the communists' activities and ensuring their participation in membership meetings and the collection of membership dues.

6. Members of the Communist Party of Czechoslovakia can form communists' clubs along professional lines or interest groups (journalists, artists, etc.). The okres (or district) party committees can accord the communists' clubs the rights of basic organizations. The party members associated together in clubs which have not been accorded these rights remain members of the basic organizations where they are registered and pay their membership dues.

#### *Local Organizations*

1. All basic organizations can be associated into local organizations according to the territorial jurisdiction (in villages, districts, towns). A local organization can also be formed by a single basic organization in smaller towns and in villages. One can break up the local organization by quarter, street, or housing development while taking into consideration the effectiveness and the possibilities for holding meetings. Local organizations are built up with an internal division according to voting district.

2. The highest agency of the local organization is the plenipotentiary meeting or conference of delegates. It elects a committee (the leadership) and a chairman. The elected agency of the local organization composed of representatives of the basic organizations coordinates their activities and organizes joint political actions.

#### *The Okres Party Organization*

1. The okres organization is made up of all the party organizations in the okres. The highest agency is the okres conference or in the period between conferences, the okres party committee. CPCZ action committees can be elected in the okreses to direct party work until the regular conferences.

2. The okres party committees evaluate the political situation in the district under their jurisdiction and in accordance with the party line in cooperation with the basic organizations, they independently decide on the resolution of political questions in the okres. The lower party agencies and the basic organizations are directed mainly by personal contacts and they are assisted in carrying out the CPCZ action program and in resolving problems. Auxiliary activists to coordinate the party influence in the okres are established as necessary.

#### *The Highest Party Agencies*

1. The highest agency of the Communist Party of Czechoslovakia is the congress. It approves the program and rules of the party. It lays out the political line, strategy,

and tactics of the party. It elects the central committee, the chairman, and the first secretary of the CPCZ Central Committee, the chairman of the UKRK [Central Control and Audit Commission], members of the UKRK, and the RUDE PRAVO editorial council. The congress delegates are elected by the okres conferences from the delegates elected by the basic organizations according to a formula determined by the central committee.

2. The central committee works out and ensures implementation of the congress's line. It directs and coordinates all political and organizational activities of the party. It elects a political executive committee and secretaries from among its members. The political executive committee elects the organizational secretariat to manage routine work and the party apparatus. It renders account for its activities to the congress and regularly informs the membership base about its work.

3. The central committee has the right to recall the chairman, the first secretary, or any member of the CPCZ Central Committee in a case where they have forfeited trust and to elect someone else in their place. The Central Control and Audit Commission of the CPCZ has this same right as regards its members, as does the editorial council of RUDE PRAVO.

4. The Central Control and Audit Commission of the CPCZ controls and audits the management of all party agencies, organizations, institutions, and facilities of the party. It investigates maintenance of the principles and norms of party life. It decides on the removal of party members in matters of membership questions. It renders account for its activities to the party congress. The same tasks are performed by the control and audit commissions of the CPCZ at the lower levels of the party structure.

5. The relationships between the control and audit commissions of the CPCZ and the party agencies are developed on the basis of mutual cooperation in the fulfillment of tasks of party policies. The party agencies control fulfillment of their own resolutions while the control and audit commissions of the CPCZ help them.

6. If there are basic differences between the agencies elected by the congress in the implementation of the policies approved by the congress and agreement cannot be reached in joint negotiations, it may be necessary to call an extraordinary congress. An extraordinary congress is called by the central committee if two-thirds of the members of the central committee who are present vote for it.

#### **Other Provisions**

1. An extraordinary territorial or nationwide conference to resolve pressing questions of the party policy can, when the need demands, be called by a higher party organ on its own decision or on the basis of the request of basic organizations containing at least one-third of the party members.

2. The party agencies will create the necessary apparatus for assisting in the fulfillment of their political and organizational tasks, but which will have no decision-making powers and cannot replace the elected agencies.

3. The party agencies work with a voluntary aktiv which includes the active and uncompromised communists and honest citizens who want to help to implement the party policy. They consult with them on the decisions prepared. They utilize their experience, suggestions, and understanding in their work.

### Civic Forum Copes With Challenges

90EC0252A Frankfurt/Main FRANKFURTER  
ALLGEMEINE in German 25 Jan 90 p 12

[Article by Jacqueline Henard: "Unlicensed Trademark"]

[Text] The rebirth of a democratic society has begun. Czechoslovakian newspapers report that 86 parties and associations have filed for recognition. Barely two months after the overthrow, three Social-Democratic, three peasant-oriented, and three Green parties have emerged. Membership in private business associations already totals 80,000. With each new "private interest group" a revival of the Communist Party becomes more and more unlikely.

It looks as though the so-called velvet revolution is losing its softness. The Civic Forum and its president are no longer without blemish. Since the takeover, at least two decisions have met with widespread criticism. First: Havel's magnanimous pardonning of 25,000 prisoners on New Year's Eve has scared many because, once freed, some of the freed prisoners—egged on by a secret police that hasn't lost its bite—have reportedly gone on a drunken rampage, robbing and assaulting people.

Second: Many Czechs thought Havel's apology to the Germans whose land and homes were taken away 44 years ago, was too subservient, if not outright incomprehensible. The daily SVOBODNE SLOVO started a series entitled "The Big Blank." It claims that those who have no firsthand knowledge of the postwar years know nothing about the history behind the expulsion of Germans, because it was not taught. It tells of a distinguished and highly placed economist from Prague, who asks a German visitor with forthright curiosity if indeed atrocities have been committed against the Sudeten Germans. What the Czechs want these days, are not apologies, but the truth, because guilt presupposes knowledge of what has happened.

Misunderstandings, remnants of communist propaganda, and halfhearted remarks in southern Germany's primary election have scared residents of the Sudetenland. The Civic Forum of Tachov (German: Tachau) has set up an emergency phone number to Prague, because the 17,000 Czechs who live where once 17 Germans lived, are convinced that the former occupants are bound to show up to reclaim their property.

The vague disquiet of many who still remember old injustices from postwar years, takes on a new urgency once the question of still unaccounted for brutalities and ruthless enrichment that defies all common decency is brought up, because who is to say that such questions will stop with the treatment of the Sudeten Germans—an affair whose statute of limitations has passed the halfway mark. Other far more relevant and explosive injustices committed among neighbors are on the minds of the people of Czechoslovakia, and what if Havel's spirit of reconciliation should fail to stir those that were harmed?

There are good reasons why Czechoslovakia has pursued such feverish foreign policy activities during the past few weeks. At present, the transition government's claim to legitimacy is weak, and each new foreign visit adds a little more of the legitimacy that is needed to tide the country over to the 8 June elections. The Civic Forum is pressed for time because each and every decision, no matter how reasonable, lacks legitimacy. Furthermore, even though 40 years of communist autocracy are responsible for all the terrible truths that come out almost every day, it is the new group in power that gets tainted with blame. For example; people emotionally will hold the Civic Forum responsible for the threat of unemployment that has been caused by belated structural changes in the economy. Also, up to now, the true extent of environmental pollution was only known to a small circle of specialists. It wasn't until a television discussion involving several specialists informed the population that the many miscarriages, birth defects, and early infant deaths in the town of Aussig were a direct result of unhealthy living conditions. They heard that with every day they worked they worsened environmental pollution, and that the harder they worked, the worse it got. A viewer commented that never before had he seen such a shocked audience.

Factories have suffered under chaotic conditions for quite some time. More talking than working has taken place, deliveries have fallen weeks behind. Using the Civic Forum as a front, a handful of demagogues have usurped leadership in the biggest industrial Kombinat CKD. They have fired its communist director and have relieved higher management of its responsibilities. The Civic Forum has become an unlicensed trademark, a problem that worries its leaders more and more.

Petr Pithart, a lawyer with the Civic Forum, said in a thoughtful television address that "the Civic Forum must by all means avoid any resemblance with the National Front after the communist takeover in 1948." The address was aired twice in succession; it seemed that important. "We have to forego playing the role of allmighty judges," said Pithart. He warned that it is wrong to see in every communist a villain and to let "pseudorevolutionary purges" endanger industrial production and social institutions. In many instances, local Civic Forum organizations have fired school and hospital superintendents without competent substitution. Pithart said that those who "usurp all power in the name



of the Civic Forum are an aggressive outgrowth of the totalitarian weed," that has choked the country for the past 40 years.

The elections are still a long time away. The intellectual leaders of Civic Forum are overwhelmed by problems that require quick and accurate decisions. They know that the next government needs a broad consensus and an immediate mandate for action to tackle the tremendous task it will face. So far it seems that the Forum is determined to get most of its present team elected. The Forum has few qualified candidates in reserve and that is why it wants to draw up a list of candidates irrespective of party affiliations. Voting for people rather than for a party is to prevent the appearance of dreaded single issue parties. Some already see the emergence of a "national front under reverse conditions."

## GERMAN DEMOCRATIC REPUBLIC

### Institute Journal Critiques Foreign Policy

90EG0130A East Berlin IPW BERICHTE in German  
Vol 19 No 1, Jan 90 pp 24-29

[Article by Dr. Andre Brie and Dr. Wolfram Wallraf of the Institute for International Relations: "Reflections on the Status of the GDR's Foreign Policy Interest"]

[Text] The point of departure for the concept and policies of the "new thinking" is the globalization of human reproduction conditions, which has meant, as Mikhail Gorbachev said at the 27th CPSU Congress in 1986, the rise of a "contradictory but mutually interdependent world that in many respects is one world." A profound theoretical understanding of this phenomenon is necessary to be able to understand its objective nature and its unavoidable consequences for the domestic and foreign policy of the GDR. Despite all the assertions to the contrary, there is an acute deficit in this area. Above all neither the practical political consequences for the GDR nor its own interests in this connection have been defined and the society has not been fully prepared to participate actively in these processes.

The globalization of human reproduction conditions requires societies that are in a position for comprehensive cooperation and opening. These challenges have reached their by far highest level of development in every respect in Europe. Mikhail Gorbachev before the European Council in 1989: "That is valid for all humanity but triply so for Europe." With respect to the overall conditions of its existence, the GDR, which is at the geographic center of this process, is inevitably and decisively affected by these fundamental and far-reaching changes.

The globalization processes influence the situation of the GDR to an especially great degree, for they are linked with its geopolitical situation and national identity. In combination with the failure to release the democratic and humanistic potential of socialism internally, they led

to a crisis in its existence as a state. Demands on the domestic and foreign policy of the GDR must proceed from this assessment. Not everything is at stake for socialism on earth but probably for the GDR.

### Socialistic Renewal and International Cooperation

It is probable that the security no state in the world is so dependent upon the political, economic, scientific, technical, ecological, cultural and humanitarian cooperation and its own capability for this as is the GDR. The socialistic renewal must without hesitation take the path of intensive and comprehensive international cooperation or it will fail. These aspects are inseparable natural components of the internal transformation in all areas.

The GDR is influenced by the changed situation of humanity from two related directions:

In the first place, the changed objective security-policy, economic and intellectual conditions of existence effect the GDR. Where they were purposefully made the basis of policy (peace policy), they resulted not only in problems but also in chances for the stability and prospects of the GDR. Where they were not recognized and where the GDR did not have an ability to adapt, they came into play spontaneously and in crisis and were primarily expressed in a worsening of all and therefore also the social and intellectual conditions of existence. This is seen especially in:

- The undermining of the consensus in internal policy.
- The declining capability for international cooperation and action and thus the loss of initiative in dialogue in areas of international policy that are becoming objectively more important for security and cooperation. They include, among others, comprehensive opening of the societies (while preserving their socioeconomic and national identity), human rights, humanitarian relations, and environmental policy.
- The reduction of the competitiveness of the GDR's economy in the world market and, accordingly, in complex negative effects on the entire national economy as well as on its economic and social policy.
- The ecological crisis.
- An incipient international isolation of the GDR in important questions.

Second, the Soviet concept and policy of the new thinking as the logical and consistent conclusion from the changed international situation as well as its consequences had a direct effect on the situation of the GDR. The reaction to this was dominated by a critical attitude in the political leadership of our country. Although the peace policy represented a certain exception in this connection, it also became less dynamic because of the lack of a comprehensive capability to cooperate.

Foreign and social policy became less realistic both with respect to the objective changes in our existence as well

as the consequences of the Soviet concept and policy. It is a vital condition of the GDR to develop the ability to adapt to the changed situation and to the new strategy of the USSR. Otherwise, the GDR is a burden for the necessary international renewal of socialism and thus endangers its own existence as a state.

The distance to the Soviet domestic and foreign policy strategy that has prevailed heretofore together with the objective processes of internationalization led, among other things, to the following problems:

- The striving to maintain the separation of the GDR got into a dangerous conflict with the changing main directions of international policy.
- The GDR became less important for the Soviet Union and other states, including the West European partners of the FRG. In view of the Stalinistic distortion of socialism that has not yet been overcome, the multiple signs of crisis in the socialist states and the inadequate ability of the GDR to react offensively to the challenges through a renewal and expression of its socialist, democratic and humanistic alternative character, the "reunification strategy" of the FRG has attained renewed effectiveness.
- Subjectivism and an inadequate sense of reality began to be reflected in GDR policy in more and more areas, which necessarily and to a greater and greater degree also included foreign policy (meager innovation capability; foreign policy stereotypes; and actual departure from the SED/SPD [Socialist Unity Party of Germany/Social Democratic Party] position paper, which represents the most valuable independent contribution to the new thinking so far).
- The lack of internal political and democratic legitimation and of openness in foreign policy is in many respects having a negative effect to this day.

The existence of the GDR will—in the literal sense as well—depend upon the capability of helping to form the processes of internationalization consciously and offensively and to influence them in accordance with its specific interests. The socialist renewal, that is, the development and subsequent realization of truly alternative, bold, and realistic social strategies, is the alpha and omega for this. The security of the GDR has finally attained a new nature and is primarily determined by its economic efficiency, its democratic and humanistic character and its internal political legitimation and stability on their basis.

#### **Interests of the Main Partners in the Existence of the GDR**

The interests of many states with respect to the GDR are in a state of flux. There are doubtless effective political interests in a continuation of two German states and a sovereign GDR as an element of European state relations and the European equilibrium. A German preponderance in Central Europe that would insist upon a

restructuring of the balance of power is seen as a threat to the peace and as an obstacle to overall European integration. But the positive attitude toward the existence and support of the GDR is not unconditional. It is linked with the maintenance of a high degree of stability in the middle of Europe. Altercations in and about the GDR that evoke the danger of a conflict on the sensitive dividing line between NATO and the Warsaw Pact, that aggravate East-West relations and that could escalate irrational German nationalistic attitudes would permanently influence and ultimately change the bases of policy with respect to the GDR.

For the USSR, our state is an important ally and a component of a security system for which the Soviet people paid a high price in the victory over fascism in World War II. A successful renewal and democratization in the GDR meets Soviet security interests in Europe, strengthens the reform process in the USSR and in general can give socialism a new perspective. This also increases the interest in the strengthening of our republic as an ally. Otherwise, an aggravation of the internal political situation in the GDR could become a new source of conflict in East-West relations and a burden to the security and foreign policy of the USSR.

Because of its historical experiences, Poland is interested in stable relations with its neighbors in the East and West. That includes the maintenance of the alliance, even if it may not necessarily be a union of socialist states. From this point of view and in view of the continuing revanchist tendencies in the FRG, an allied and stable GDR remains the optimum variant to guarantee the western border of Poland. A continuing instability in and about the GDR, on the other hand, would lead to considerable insecurity. What is feared above all is an eruption of nationalistic attempts at reunification that also include aggressive demands for the former German Eastern regions. Dangers with this kind of a tendency could give the Poles a willingness to agree to a reunification emanating from the FRG if it took place in a controlled manner and were regulated in accordance with international law so as to guarantee the western border of Poland definitively and irrevocably. The interest in economic aid could be effective as an additional stimulus with growing weight of its own.

In the CSSR, there is an interest in carrying out necessary economic reforms in stability and cooperation with the GDR. But a possible acceleration and extension of the reforms in the CSSR can raise basic questions about Czechoslovak foreign policy in a new way that cannot be predetermined today.

The West European allies of the FRG traditionally have taken the approach that the existence of two German states is most in accordance with their interests in preventing a German hegemony, in developing West European integration and in maintaining the stability of NATO. The most recent assurances in regard to support for the existence of a socialistically or pluralistically reformed GDR as a sovereign element of European state

relations and in regard to possible diplomatic and material support are in accordance with these positions. There is no interest in an unstable GDR that could be the cause of new tensions in the East-West relationship and hinder the realization of West European objectives in regard to social changes in Eastern Europe. At the same time, however, some factors have been strengthened that could diminish Western interests in the existence of the GDR as a state and that could transform previous lip service paid to FRG notions on German unity into political support. In the first place, there are fears that the FRG will break out of the Western alliance because of a lack of solidarity with its demands on Germany policy as well as the fear of uncontrollable eruptions of nationalism. Secondly, a united capitalistic Germany firmly anchored in the West European integration could be preferred over an unstable GDR as a point of conflict in Central Europe. Thirdly, with the change of generations a new political elite is taking political responsibility, which out of a deeper understanding for integration and interlacing in Western Europe is no longer subject to the traditional power concepts and hence also no longer proceeds on the basis of an aggressive claim to the hegemony of a reunited capitalistic Germany.

The past and possible change in the positions of the main international partners on the existence of the GDR is closely linked with the changing of the military alliances and the economic groupings as well as with the development of the CSCE process in Europe. The military pacts that arose during the time of the cold war are losing their original significance and are tending to develop into security organizations that will be of importance for overall European stability for some time yet. NATO is facing the necessity of adapting to drastically changed East-West relations. The focal points are the constraints arising from the disarmament initiatives, the peaceful change in Eastern Europe and the preservation of the alliance under changed basic conditions. NATO, however, has the potential to make this adjustment.

The Warsaw Pact in its previous configuration has reached a crisis. Its member states are undergoing a reevaluation of the actual security interests in Eastern Europe, of the available resources and hence of the remaining means and ways to secure these interests. In Hungary, the affiliation with this alliance is being questioned more and more openly. The political interest in the Warsaw Pact results from reason of state (securing of territorial integrity through allies in the East and West) and not from the social order. Complicating factors are the course of Romania, the developing conflict UR-SSR [Ukrainian Republic], unresolved national and territorial problems, undemocratic military decision structures, a low level of military integration and declining coordination in foreign policy. A democratic renewal of the Warsaw Pact is on the agenda and it will lead to a restructuring of the security relations in Eastern Europe and influence the balance of power in Europe.

The West European integration is increasingly becoming the center of gravity of relations among European states.

The social changes in the socialist countries as well as the need for economic cooperation and support are promoting this tendency. The CEMA integration in its prevailing form meets these requirements less and less. The level of economic, social, and political interlacing among the member states is declining. In addition, the economic reforms introduced in some states are aimed at an intensified division of labor with the West. The increasing differences between the national economic structures and policies make a short- and medium-term improvement improbable at the level of CEMA as a whole.

There will be a further stabilization and development of overall relations among European states through the CSCE process. The current disarmament talks are, to be sure, not leading to a renunciation of military power as the main means of security policy (also as a symbol of being a great power for France and Great Britain) but to a clear improvement of strategic stability. The offensive capability of the Warsaw Pact and therefore its potential threat to the West will decline credibly with the defensively oriented military doctrine of the USSR, the unilateral disarmament, the economic limits to armament and the internal state of the Warsaw Pact. The NATO strategy of deterrence is slowly beginning to open up to concepts of minimum strength, disarmament, and mutual security. The connection between internal and external peace and between democracy, human rights, and security will become more obvious.

#### International Conditions and Conclusions for Policy

The GDR is living through a social crisis that is simultaneously a crisis in regard to its existence and legitimation as a state. Foreign policy must proceed on this basis. Seen realistically, the primary task is to ensure the existence of the republic as a sovereign state under the conditions of far-reaching social changes, the related gradual overcoming of internal instability, and growing irrational elements in and around the GDR. All priorities in foreign policy are to be made subordinate to this. It is necessary to establish a network of coupling mechanisms and linked interests for the main international partners on the basis of mutual advantage so as to stabilize the conditions for the existence of the GDR. At the same time, foreign policy must be aimed at the requirements of the internal social processes of renewal and establish the necessary external conditions for this. The indispensable opening and the establishment of the GDR's capability for cooperation and integration, just as the foreign economic dimensions of the economic reform, will present new challenges to foreign policy. That requires preliminary theoretical and conceptual work, an capacity for innovation, flexibility, a readiness to compromise and realism. The time is not favorable for a qualitatively new integration of the GDR in the international community and it will be linked with considerable domestic and economic stress. There is, however, no alternative to this and any delay would only further worsen the starting positions.

The changed focal points are forcing the question of the areas of world politics in which the GDR actually has vital interests and a corresponding potential for an effective policy, where it can make a contribution to the worldwide discussion on the resolution of global problems and regional conflicts and where there is only a need for information on foreign policy. Accordingly, the available potential must be concentrated and the regional and land priorities must be determined. The center of our activities lies in Europe. It is here where our vital questions will be resolved in part and here are our main international partners.

Democratization and openness must also be implemented in the area of foreign policy. The relationship between institutions, state authorities, the public and science in the process of making foreign policy decisions has to be redefined. Heretofore the external affairs have not been the focus of internal controversy but they will soon become substantial issues. Some key questions such as, for example, the relationship with the USSR and with the FRG are already such issues. The question of the better foreign-policy concept will also be raised in the internal political competition for the political initiative and social leadership.

The security of the GDR is not threatened militarily in the foreseeable future. The balance of power and the political situation in the relations between states offer considerable latitude for unilateral steps toward disarmament by the Warsaw Pact states, including the GDR. Its utilization is of fundamental importance and not to be seen only from the point of view of the overcoming of internal crises. It should be utilized to demonstrate the peaceability of the GDR and the exemplary nature of socialism in this area. At the same time, this would open up important opportunities in the short term to strengthen the internal support for the action program of the SED and for the coalition government led by it, to reduce the potential for conflicts and to develop economic potentials through disarmament and conversion.

The objective of the disarmament policy must be an offensive incapacity between the two blocks, especially along their dividing line, integrated in a network of joint European security. The specific steps must guarantee that the risks and stresses for the GDR in its specific strategic situation do not at any time increase disproportionately, undermine relations with allies and partners or diminish the latitude in foreign policy. That means a substantial linking of the individual stages of nuclear and conventional disarmament, full consideration of the interests of the neighboring allied states (USSR, Poland, CSSR) and the observance of the disarmament interests of important West European partners, including the nuclear powers Great Britain and France.

In all the problems, it is not a question of whether the GDR must open up widely in practically all areas but of how the opening can be accomplished. Here as soon as possible we need action concepts taking into account international experiences. The dangers and stresses such

as the large numbers of emigrants, greater possibilities for influence from outside and the serious economic and financial problems are unavoidable. Nevertheless, this opening in foreign and foreign economic policy, above all in the framework of CSCE and in relations with the FRG, as well as in the internal and legal realization must be carried out. These developments are to be linked with a frank and open informing of the population of the price of this policy and the resulting serious problems. It is necessary to have the broadest possible democratic decision on the legitimization of this policy.

A new concept for the specific contribution of the GDR to the resolution of global problems is needed. It must be radical, point to the future, and demonstrate the capability of socialism for a demilitarized, democratic, humanistic, and ecologically organized world. It is necessary to show realistic ways and to concentrate on the areas in which the GDR already has great responsibility and an adequate potential. Programs for national contributions of the GDR could be discussed for the following fields:

- Content of a European peace order as well as an overall European economic and political integration.
- A European disarmament program.
- A European legal sphere.
- Joint programs for the overcoming of underdevelopment.

The impending fundamental economic reform will have substantial effects on foreign policy. Under the conditions of the GDR, the success of a new relationship between plan and market and of a complete reorganization of planning methods and mechanisms as well as of breakthroughs in the area of science and technology and a changed structural policy will depend upon this being linked from the outset with a systematic opening of the GDR economy to integration and cooperation at all levels. This step will make clear in an economically and socially painful way the actual capability of the economy of the GDR for international competition and cooperation. There is no alternative. Our experiences heretofore have shown this.

A review of the discussions to date and proposals made therein shows that the conceptual and practical resolution of the following problems is in the foreground:

- Opening for economic and scientific-technical cooperation, including the import and export of capital with the international and legal securing of far-reaching social and state interests.
- Establishment of the preconditions for the gradual convertibility of the mark of the GDR as an instrument for real participation in the international division of labor, hence also a real standard for national economic competitiveness and efficiency. This would also be an important incentive for CEMA integration

and a significant factor for a way out of the disintegration and for the prevention of a tariff war and political discord in the scope of CEMA in the event of a drastic increase in individual trips to the GDR from Poland, the CSSR, and the USSR.

- Participation in international economic organizations such as the world trade agreement GATT or the International Monetary Fund (IMF).
- Shaping of the GDR into a center of trade and economic cooperation between East and West. This involves, among other things, the utilization of the favorable initial conditions for cooperation with the EC, including participation in individual steps of integration as well as the active promotion of the revitalization of the CEMA and/or the development of other forms of economic cooperation and integration with the participating states of this economic union on a bilateral or multilateral basis.

#### **Focal Points and New Orientations for Foreign Policy**

The orientation toward the USSR is a vital question for the GDR in every respect. In a time in which the relationship in the Soviet Union between the priorities of foreign policy and the available resources is subject to renewed rigorous discussion and in which this discussion also affects the relationship with the European allies, the GDR must have a primary interest in raising its own value as an ally in security policy and as an economic partner.

The strategic relationship with the largest and most influential ally must be further developed in all areas. Changes in course toward a far-reaching institutionalization in promising forms of political, economic, military, and intellectual-cultural cooperation must take place soon and can to a certain degree be guided by the example of FRG and France. Joint ventures in the high-tech area, economically stimulated industrial cooperation between independent economic units, youth work, intense development of tourism, and joint scientific facilities would be such possibilities that would not only raise the interest of the USSR in the GDR but also improve the future character of their relations and their contribution for Europe as a whole and hence not least for the security and world political latitude of the GDR.

The further shaping of the relationship between the GDR and the USSR as a political alliance in the framework of European security and relations between European states presupposes a high level of political coordination on an equal basis. The Soviet Armed Forces in the GDR must be reduced drastically to the actual militarily necessary level and clearly defined as allied armed forces. At the same time, the GDR could bear part of the costs of their stationing. The course should be that of a true military integration between the remaining Soviet Armed Forces and those of the GDR (and with interlacing in the direction of Poland and the CSSR, if possible). This would make defense functions more efficient and above all linked with considerably lower

expenditures and greater latitude for disarmament. At the same time, this would strengthen the reciprocal military and political obligations and reliability, not least as one of the bases for the activation of German-German relations.

In view of the natural differences in the interests of the USSR and GDR based on geographic, economic, and political factors, it is absolutely necessary on account of the vital importance of this relationship for our government to establish an effective permanent mechanism to overcome these differences.

The second main axis of the foreign policy of the GDR is the FRG. Based on the alliance with the USSR and an active foreign policy with respect to all other European states as well as the United States and embedded in a truly far-reaching process of comprehensive cooperation throughout Europe with the prospect of a corresponding political and economic integration, it will be unavoidable to establish a special relationship with the FRG in Europe for three related reasons:

In the first place, the international relationship and the balance of power in the GDR is such that realistically the resolution of many problems is unthinkable without a deepening of the relations and a German-German rapprochement. Another factor is that the mutual national roots are extraordinarily strong.

Secondly, the FRG can represent a substantial economic and financial source for the renewal of the GDR: our state can thereby begin on the basis of the interests and a certain willingness of influential political and economic circles of the other side.

Thirdly, it is consistent with the historical responsibility and the possibilities of the GDR to contribute to the integration of the FRG in a demilitarized and cooperative development of Europe.

The postwar period in Europe is over. This must be reflected legally. It must be examined whether the special relations between the GDR and FRG can be set forth and shaped in the scope of a peace treaty with the two German states, whether and how the "four-powers rights" can be utilized and preserved, and whether the idea of a confederation can be revitalized. The last version includes the earliest possible, theoretically based and realistic consideration of which socialist contents can be brought into a confederation and defended and even strengthened in an alliance with progressive West German forces, including the Social Democrats and the trade unions. Thought must also be given to the specific formulation of this idea under the present conditions, whereby obviously traditional ideas cannot be transferred schematically. In view of the developments since November 1989, the question of a special economic and currency relationship is pressing. At the same time, the security ties to the respective allies must be maintained.

The problem and the dilemma is that the GDR must begin its politics from the midst of an internal political

legitimation crisis. It will be successful only through the establishment of a consensus of all forces. The truly socialistic—the social, democratic, humanistic, and anti-Fascist—alternative character of the GDR as the other German state must thereby not only be preserved but to a considerable extent also be truly produced for the first time. It is only under this condition that the interest of the European states in the existence of two German states will remain and be usable.

A close and far-reaching economic cooperation, including joint enterprises, the participation of the FRG through experts and economic support in the creation of a convertible GDR-currency, a common ecology concept and intensive exchanges in the scientific, cultural, and humanitarian area can be among the additional forms to be sought.

Far-reaching and possibly unconventional steps are required in regard to West Berlin and they are possible, as the past weeks and months demonstrate. Besides the opening of the borders while maintaining control and the comprehensive development of relations, these steps could also include the proposed Berlin air crossing, the joint solicitation of the Olympic Games in 2004, overall ecological concepts for Berlin, etc. This would also open up economic potentials for the resolution of infrastructural problems of the GDR. The GDR has a fundamental interest in maintaining the status of West Berlin in accordance with the Four-Powers Treaty but also in checking continually into how it can be further developed in some substantial way and used to the maximum for close cooperation.

Our state must involve itself offensively in an overall European process, which has its long-term goal in a political and economic integration of all Europe. This perspective should now be named, discussed and sought gradually and realistically in the foreign policy of the GDR. An integral world needs a common standard of democracy, humanism, human rights, and humanitarian relations as well as what socialist and capitalist states must develop and implement together in the CSCE process. Qualitatively new efforts are to be undertaken in the economic, scientific-technical, monetary, ecological, and other areas with the goal of integration.

From the socialist point of view but hardly avoidable in view of the crisis in socialist integration and multilateral alliance mechanisms, the following is to be noted negatively: the socialist states will obviously have to accept the fact that the form of overall European integration will be greatly (but not entirely) influenced by the states of Western Europe. Their pressure will obviously continue to increase. It is important for the socialist states to take part in this process and simultaneously to preserve and invigorate specific forms of internal socialist cooperation. It is in the vital interest of the GDR to be involved to the greatest extent possible in this integration process as a sovereign state.

The situation in Central Europe is of critical importance for the GDR. It appears desirable to have a flexible

Central European concept of the GDR embedded in overall European developments. Besides the strategy with respect to the FRG and West Berlin as well as its general and Central European embedment, of strategic importance thereby is above all the relationship with Poland and the CSSR. The relations with both states must be intensified, materialized and institutionalized in all areas and utilizing all possibilities. A specific bilateral integration sphere with the CSSR (trilateral if the Poles are also prepared for this) should be given very serious consideration and sought after.

As for GDR policy on a global scale, it is necessary to continue to support the decisive strengthening and shaping of the role of the United Nations and of the entire UN system and specific things must be done to help resolve global problems. The participation in international world economic processes and economic organizations must be intensified or seriously considered. Finally, the relations with the developing countries require a greater concentration under two points of view, namely the preservation of the internationalist and solidary nature of the foreign policy of the GDR and the orientation toward the economic interests and real possibilities of our country.

#### **Academicians Attack Stalinism, Cite Abuses of Power**

*90EG0122A East Berlin JUNGE WELT in German  
8 Dec 89 pp 6-7*

[Article by Dr. Vladislav Hedeler, Dr. Horst Helas, and Dr. Dietmar Wulff; first three paragraphs are JUNGE WELT introduction]

[Text] Three philosophers and historians from the Academy for Social Sciences—one of them a specialist in the history of Soviet philosophy, the second an expert in the history of the German labor movement, the third an expert in Soviet history—wrote the following exclusive article for JUNGE WELT. They have been working on the topic of Stalinism since the beginning of perestroika in the USSR.

"In our country, too, the cult of personality, with all its consequences, must be totally eliminated. This does not simply concern the cult that was practised (with the personality of) J.V. Stalin. A personality cult reveals itself in many ways in the work of the party, the state apparatus, the economy, and democratic mass organization. Consequently, it can be considered a cult of personality if leading party and state functionaries set themselves above elected organizations in the municipalities, the kreises, and the bezirks and often decide questions which are really the affair of these elected organs; when the solution to all questions is expected to come from a few people and in reality it can only come about as the result of conscientious collective work; when successes in building socialism, which emanate from the collective output of the workers, are seen exclusively as the work of individual persons; when the

result is the excessive adoration of living persons who have done a great deal for the workers struggle.

"From a discussion on the 20th Congress of the Soviet Communist Party and the third SED [Socialist Unity Party of Germany] Party Conference. Statement from the Politburo of the SED Central Committee, NEUES DEUTSCHLAND 8 July, 1956."

In the current discussion about the political, social, economic, intellectual-cultural, and moral renewal of socialism, Stalinism is one of the key terms which are being used as a euphemistic description of the causes of the current crisis. Social scientists in the GDR have not used it so far. The fact that the term "Stalinism" was used by the "class enemy" and was closely allied to the doctrine of totalitarianism was enough to erase it from scientific vocabulary. Its avoidance and/or suppression was intended to suggest that, in the history of socialism, there had merely been mistakes on the part of individuals, but never wrong developments in a system or even its complete degeneration.

Now the term Stalinism is undergoing a vogue: the spectrum ranges from a fixation on the person of Stalin through creeping, manifest, cold, and bloody Stalinism right up to "Stalin is in all of us." There are dangers inherent in this diffuse definition of the term.

The analysis of the path we have traveled, which is so important at the moment, threatens to bypass the actual, strategically conceptual questions. Idle talk about Stalinism, devoid of any meaning, promotes the tendency to hide behind the alien "ism" and to fail to recognize the roots of the abuses in our own history. We think that anyone who admits to deficits of theory should work on eliminating them, instead of making superficial declarations of intent on behalf of socialism. This is why we are attempting to define the concept of Stalinism more precisely and to clarify its significance for the history of the German labor movement. In the progression of the debate about Stalinism in the international labor movement, particularly in the constructive discussion in the USSR in the last few years, we can see a suitable way of making progress in dealing with history without any inhibitions.

### **Stalinism Is More Than Violence Against the People**

Stalinism is closely associated with the man who, with unlimited power, was the head of the Communist Party of the USSR and of the Soviet state from the end of the 1920's until his death in 1953—Joseph Vissarianovich Stalin, secretary general of the party since 1922. However, he was only the most prominent representative of a social totality, whose economic, political, and ideological roots existed before the usurpation (forcible seizure) of power by Stalin and which continued to exert its influence for many years after his death.

Stalinism was also more than the criminal application of physical force of the "apparatus" against his own people, to which millions of Soviets and many Communists in

other countries fell victim. It was more a system of distortions, which determined each other, of the concept of socialism defined by Lenin in the economy, politics, culture, science, and ideology. Stalinism is based on state ownership of the means of production and is closely allied with the form of extensive reproduction of the national economy. The search for an adequate political system ended in the domination of the administration and undemocratic centralism in all spheres of social life. Thus, the tendency toward repression and unchecked exercise of power by one group of functionaries was linked to one party, whose most extreme form of expression was the personality cult. A lack of legitimacy as a state characterizes this system, as well as omnipresent dogmatism in the intellectual sphere.

Stalinism derived its ability to survive mainly from the enthusiasm of the workers and peasants for socialist ideals, such as social justice, prosperity for all, and peace without exploitation. As this motivation lost its effectiveness, elements of administrative pressure moved increasingly into the foreground. This led to the gradual alienation of the workers from the political system and the means of production.

Stalinism, which first found its complete expression as a system of distortion in the USSR, was deeply rooted in the country's history. It came about in a state which had come into being as the result of a proletarian revolution which took place in an economy dominated by agriculture. To many in the thin Bolshevik leadership strata, administrative measures and repression appeared to be the only way to push industrialization ahead, collectivize agriculture and thus solve economic problems. Alternative models for solutions, oriented to Lenin's plan for a New Economic Policy (NOP), like the one promoted by Nicolai Bucharin, had no chance for success in a state where truly democratic mechanisms for decision had been eliminated in the struggle for power, particularly since there was an almost total lack of any suitable tradition.

### **Only One Choice: Revolution or Counterrevolution**

The permanent danger to which Soviet power saw itself exposed from the capitalist nations, but which was also exploited for domestic political purposes, favored the creation of Stalinist structures. Subjective factors, such as the functionaries in power being beholden to forms of struggle stemming from illegality (conspiracy, centralism, and so forth), in conjunction with Stalin's bizarre personality, finally contributed to the "great upheaval" in 1929-30.

Social development in the first country in the world that had undertaken the attempt to establish a socialist society of necessity cast its influence on the parties that were united in the Communist International (CI). The International functioned as a model in every respect. An expression of this was the "Bolshevization" of all sections of the CI, including the German Communist Party [KPD], starting in 1925.



Not coincidentally, Stalinist structures began to emerge within the KPD at the same time. Flying in the face of Lenin's warning against a wholesale assumption of the revolutionary experiences of the KPR [Communist Party of Russia] (B), Thaelmann's Central Committee continued to identify its interests with those of the Soviet Union. We see in that an expression of the increasing dogmatization of internationalist positions within the KPD. As a result, this meant the devaluation of the rich experience of the German labor movement. The leadership of the KPD aligned itself with the dominant current within the Soviet party, which was represented by Stalin, and rejected, along with it, alternative models for socialism as counterrevolutionary.

The decrees of the Sixth CI Congress in 1928 on the strict promulgation of the thesis of social fascism in all party subgroups and the exclusion of competent theorists from the party in the same year worsened the prospects for success in the struggle against fascism and against the dismantling of socialism and democracy. It must not be overlooked that the insult to the KPD partners in the alliance, which this provoked, fell on prepared ground. The KPD had come about as the result of drawing theoretical and practical limits with respect to the SPD [Social Democratic Party]. This dualism towards the "mother party" often forced it, in its history, to take up radical left-wing positions. This was part of the specific national traits of Stalinism in the KPD.

The imperialist encirclement of the USSR, which was experienced as a threat, as well as the real successes in constructing socialism, served the Communists—and not only them—as decisive arguments for the correctness of Stalin's policy. The deep desire for social justice, for a peaceful world free of exploitation and the justified search for an identity led to an idealization of conditions in the USSR, furthered the schematic adoption of experience gathered there and brought about the fateful vulgarization of the dialectic of opposites in socialism. Under this influence, intraparty life in the KPD was increasingly characterized by rigorous centralism, bureaucratic administration, ignoring the individuality of individual Communists and intolerance of anyone with different ideas. This had tragic consequences for the destiny of the party, particularly after the seizure of power by the fascists in 1933.

#### **At Least 350 German Comrades Were Murdered**

In the final instance, the KPD was unable to prevent the departure from the policy of unity and the popular front, which had been passed at the Seventh CI World Congress in 1935. Stalin completed this departure after 1936 with the Moscow show trials and millions of crimes against Soviet citizens and Communists abroad. At least 350 German Communists were also the victims of these crimes. An even greater number were handed over to the Gestapo.

The leadership of the KPD in exile in Moscow found itself caught between loyalty to Stalinist dogma, fear,

power, and efforts to help the obviously innocent. In the end it was powerless and paralyzed. The Hitler-Stalin pact of 23 August 1939 had similar effects. The suspension of anti-Fascist propaganda brought about by Stalin made the struggle of the resistance in Germany more difficult. An erroneous assessment of the strategic intentions of Hitler's Germany and of the other capitalist countries cost German Communists their life.

The German KPD was not only a victim of Stalinism. Stalinism had not only been forced upon it. The party, mainly its leadership, was subjectively and objectively bound up with Stalinism. The KPD created its own German image of Stalinism. But the history of the Communist movement in Germany was not just the sum of its Stalinist distortions. The struggle for the unity of action of the labor movement, the political day-to-day work of many Communists in factory and street cells, in parliaments and in mass organizations, but most of all the self-sacrificing and tireless struggle against fascism are part of the legacy of the German labor movement which must be clearly separated from Stalinism.

Liberation from fascism in 1945 brought the opportunity to create an independent, anti-Fascist, democratic socialist state on German soil. The dual-state status of Germany, which became manifest with the currency split, an expression of the cold war, and the condemnation of Yugoslavia's path to socialism—both of which events occurred in 1948—brought an almost complete end to the search by the nations of Eastern and Southern Europe, as well as the Soviet Occupation Zone of Germany, for an independent version of building socialism.

Although the Soviet model of society was imposed on our country as well, there were independent developments (the multiparty system, private factories until 1972, the cooperative system and more). Stalinism did not develop in other countries as an ideal type in accordance with the definition.

The Stalinist distortion of social development in the GDR was based mainly on the dominant "supranational" role of the SED, which it had arrogated to itself since its foundation. Milestones on this path were, for example, the crisis of the democratic bloc in 1948, the Thirs FDGB [Free German Trade Union] Congress in 1950, the decree of July 1960 on the subordination of the state apparatus to the SED and the formalization of its leading role in Article 1 of the constitution of 1968. Since the leadership of the SED under Walter Ulbricht illegally restricted the traditions of the SED to experience in the revolutionary struggle of the KPD and both ignored and suppressed valuable experiences of social democracy, a genuine opportunity for avoiding Stalinist distortions went unused.

#### **The Opportunity of the 20th Party Congress Went Unrecognized**

The opportunity which the 20th Congress of the Communist Party of the USSR in 1956 offered in overcoming the Stalinist system was not recognized by the party and



state leadership of the GDR. Those German Communists who been murdered or imprisoned by Stalin's apparatus were halfheartedly rehabilitated. Flying in the face of the stated position of the SED Central Committee, persecutions continued in its own country. Massive indications of the dangers of the course that had been adopted (which the leadership received on 17 June 1953) in the periods 1960-61 and 1968-70, were ignored, the opportunities for renewal wasted. All the basic institutions of Stalinism—the administrative-bureaucratic apparatus, the monopoly on power of the SED, repression, the far-reaching instrumentalization of culture and science, dogmatized ideology—remained intact and have had a more or less tangible effect until today.

## HUNGARY

### MAGYAR NEMZET Ousts PPF, Goes Independent

25000609B Budapest HETI VILAGGAZDASAG in Hungarian 20 Jan 90 p 72

[Unattributed article: "Saving the Nation?"]

[Text] A new, unexpected, and apparently crucial turn of events occurred last week relative to MAGYAR NEMZET: After 37 years it regained its independence. The newspaper was formed as a limited liability corporation in 1938, headed by Sandor Petho. It was placed under the supervision of the Patriotic People's Front [PPF] in 1953. At this time the editorial office has severed its relations with the newspaper's supervisory authority. For months, certain PPF leaders have invoked various arguments to delay reprivatization of the newspaper. At the last moment the PPF got word of the journalists' determination to separate the newspaper from the PPF, and found it advisable to voluntarily relinquish its status as the supervisory authority of the newspaper, rather than wait until the editorial board deprives it of that status. Thus the announcements made by the editorial board and the PPF appeared peacefully, next to each other in the newspaper's Saturday issue.

But by regaining independence, the obstacles in the path of organizing a stock corporation to publish MAGYAR NEMZET were certainly not removed. On the contrary, the earlier plan according to which the stock corporation would be established with 100 million forints in founding capital, with 65 percent Hungarian and 35 percent foreign (Gyorgy Soros) participation, has fallen through for the time being, for some mysterious reason (HVG 2 December 1989). Last Friday the Magyar Nemzet Journalists' Foundation, which has the MAGYAR NEMZET employees as its members, and the Pallas Newspaper and Book Publishing Enterprise signed an agreement for the establishment of a limited liability corporation with only 20 million forints of founding capital. Of this capital, 10 million forints were subscribed to by Pallas in cash, and 5 million forints are in the form of an in-kind capital contribution, while the

remaining 5 million forints were recognized as the intellectual property contributed by the newspaper. The two parties further agreed that in the event that the new owners subsequently transform the limited liability corporation into a stock corporation, MAGYAR NEMZET's intellectual property contribution will constitute 10 percent of the founding capital, assuming of course that this arrangement is agreed to by stockholders.

All of this means that PPF's long lasting maneuvers to obstruct the realization of this business transaction have ended in a total fiasco, from both a political and a business standpoint. Two months before the elections the PPF lost all of its influence over the newspaper, which at present is published in 170,000 copies, and now the PPF cannot even count on that 20 million forints worth of stock Gyorgy Soros appeared to be willing to sell to the PPF in lieu of surrendering their supervisory status over the newspaper.

In recent days rumors concerning MAGYAR NEMZET have held that a few opposition parties expressed opposition to Soros' business plans not too long ago, fearing that MAGYAR NEMZET may be tied too closely to Alliance of Free Democrats [SZDSZ] circles. Based on the present situation one cannot fully rule out the possibility that in the background an agreement indeed came about, whose essence would be that the PPF would surrender all of its previous rights and claims if the editorial board does not insist that a deal be struck with Soros. At the same time, however, the MAGYAR NEMZET editorial board announcement published Saturday leaves no doubt that the newspaper is unable to accept the Soros offer only under the present circumstances, and only momentarily. The editorial board of MAGYAR NEMZET continues to be chaired by Tibor Petho, the editor in chief, and by Jozsef Martin, who won the confidence of a majority of the editorial board as well as of Soros in previous months.

### Police Rules of Conduct Published

25000603C Budapest NEPSZAVA in Hungarian 17 Jan 90 p 12

[Article by (mezovari): "Excerpts From Rules; Who May Be Addressed on an Informal Basis by a Policeman?"]

[Text] What has been a secret thus far to ordinary citizens, or has been available only in part, may be purchased by anyone for 30 forints as of yesterday. Issue No. 2 of MAGYAR KOZLONY contains the full text of the police rules of conduct. Hungarian policemen will have a hard time reading the rights and duties of policemen condensed into 587 items by the Ministry of the Interior, and squeezed into 42 pages. The decree goes into effect on 1 March and directly affects the personal rights of citizens. Here we publish certain details of the decree—subjects of lively discussion by the populace in recent times.

The first item in the modified rules of conduct establishes the fact that the basic function of the police is to

protect public security and internal order. The police protect the personal and material security of every citizen, and ensure that peace prevails in public areas and other places.

**Official action:** Policemen have a duty to act with regard to anyone in the event that public order or public security are being violated or endangered. Prior to taking action a policeman must greet the person against whom the action is to be taken, in a manner consistent with the time of day, then introduce himself by stating his name and rank. Introduction may be disregarded only if a dangerous situation exists. On the other hand, a uniformed policeman has an obligation to state and to verify his name, rank, and duty station at the request of the person against whom he has acted, upon completion of the action. Only children and persons of obvious young age may be addressed on an impersonal basis.

A policeman must not act when under the influence of alcohol, except in cases of justified defense or extreme emergency. The acceptance of danger is an obligation voluntarily accepted as part of a policeman's oath, and therefore, while on duty, he may invoke the state of an extreme emergency only in the interest of others.

**Police action restricting personal freedom:** A policeman may examine the outer clothing of persons against whom he is taking police action to restrict such persons' personal freedom, for the purpose of removing objects suitable for attack or for the self-infliction of wounds. After taking action, a policeman who has been insulted or cursed by a person taken into custody, or has been presented at the police station, or whose action has been resisted by such person must not be assigned to the continued guarding of such person. A policeman may take to the police station persons who endanger themselves or the public, and persons who cannot help themselves, are homeless, or are helpless for any reason. A person who panhandles in public places or goes begging from door to door may be presented. Persons presented at the police station may be held in custody for a 24-hour period, if such custody is warranted by that person's interest (intoxicated state, threat to himself or the public).

**Coercive means, and the application of such means:** A policeman is obligated to enforce his actions in the course of performing lawful duties, and to apply coercive means in the interest enforcing such actions. On the other hand, a policeman must not apply coercive action when dealing with a helpless elderly person, a sick or crippled person, a pregnant woman, or a child.

The police have a right and a duty to use weapons in exceptionally warranted cases and only after prior warning. Only the intentional use of weapons against persons, irrespective of whether such use has caused injury, qualifies as the use of weapons. Coercive means, such as physical constraint, tear gas, handcuffs, black-jacks, police dogs, road barriers, and weapons may be used only until resistance has been overcome. A policeman under the influence of alcohol must not carry

his weapon. When carrying his weapon on him, a policeman must not become influenced by alcohol.

The rules also provide for a policeman's right to strike. They state that strikes have no place with the police and with armed bodies; a policeman may not organize a strike and may not participate in functions which express solidarity in or with strikes.

The rules also provide for public appearances by policemen. According to these provisions a policeman may make statements concerning extraordinary or unexpected events, or with regard to unusual criminal incidents, only with the concurrence of the Ministry of the Interior public information office.

### **Freedom of Conscience, Religion, Church Status Guaranteed**

#### **Justice Minister's Expose**

25000609C Budapest NEPSZAVA in Hungarian  
24 Jan 90 pp 2-3

[Report on parliamentary proceedings: "Kalman Kulcsar: A Birthright"]

[Text] Following the prime minister's remarks, Justice Minister Kalman Kulcsar rose to speak. The minister presented to Parliament a legislative proposal concerning the freedom of conscience and freedom of religion, as well as the churches. Following a historical introduction, Kulcsar said that only at a rather late date did it become possible to present this legislative proposal to the plenary session. Without providing an explanation for the delay, he pointed out that the proposal provides comprehensive regulations concerning the freedom of conscience and religion, and concerning issues pertaining to churches. The proposal defines the content of the law and ensures the enforcement of these civil rights by virtue of legal provisions. It settles the relationship between the state and the church, and provides for the most important aspects of the financial management of churches. The proposal's character and content are consistent with the constitution and with other laws affecting civil rights, for example the right to form associations, the new press law being prepared, and other high level provisions that affect churches, such as the education law, the Civil Code of Laws, and the provisions of the tax code. In order to establish appropriate foundations for the codification work it was also necessary to take into account our international commitments.

Kulcsar stressed that the legislative proposal is a result of a broadly based political and professional reconciliation process. The Hungarian churches, parties, and social organizations, as well as representatives of the sciences, took part in the preparatory work and engaged in trilateral debate. There appears to be a virtually full consensus with regard to the contents of the law, he added.

In his further remarks Kulcsar reported on the fundamental provisions of the legislative proposal, pointing

out at the same time disputed issues that arose in the course of discussions with churches and with political organizations, and which were resolved in the course of conciliations, but awareness of which may be important to representatives, nevertheless.

The proposal states that the freedom of conscience and religion are fundamental civil rights to which persons are entitled beginning at birth, and which are not granted by the state or by any other power. No person may be deprived of these rights, and everyone is unconditionally entitled to the exercise of these rights, without suffering discrimination on the basis of law, nationality, or language.

In addition, anyone may criticize the beliefs of others, may engage in propaganda activities, and, in the framework of the freedom to express and to teach one's views, may raise other persons according to atheistic or religious tenets, or may teach these tenets to other persons, as long as such activities do not violate other persons' rights and liberty.

The legislative proposal provides that no one may suffer disadvantage or may be entitled to advantages on grounds of his religion or beliefs, or as a result of proclaiming his religion or beliefs. Another very important provision prohibits the state and authorities from gathering data concerning religious or other beliefs.

In regard to exercising these rights the proposal states that such exercise does not exempt persons from under their obligations as citizens, unless otherwise provided by law.

In further detailing the contents of the proposal, Kulcsar pointed out that the proposal regards the right to establish a church as part of the right to the freedom of conscience and religion. It also provides rules for the founding (registration) and operation of churches, as well as for the removal of registration—in the event that certain legal conditions exist. Based on the proposal, registration of churches is part of the duty and authority of county (Budapest) courts, the justice minister said.

In regard to the relationship between the state and the churches Kulcsar explained that churches are autonomous organizations, the internal affairs of which must not be the subject of state interference, and whose internal laws are not subject to affirmation by the state; that various churches are entitled to identical rights and are burdened with identical duties, meaning that the various churches are equal; and that the state will not use its means of coercion to assist the enforcement of any internal rule of any church.

Thereafter the minister discussed situations in which a church pursues an activity governed by law. In such cases the same rules apply to churches as to other organizations. Relative to such activities, state organs exercise the same rights and duties as with regard to other organizations, thus, e.g., they may perform official inspections.

In conclusion the minister stressed that conditions must be established for the return of buildings previously owned by churches, but which were nationalized without provision of indemnification, to be used by churches for the pursuit of activities similar to those pursued before, e.g. education, health care, social, and religious practice. Legal provisions to settle this problem are being drafted; the National Religious Affairs Council has already discussed the conceptual issues of settlement, and the churches involved may present their needs until the end of this month. In accomplishing a settlement, the fact that most of the real estate involved is also presently used for education or social, health care purposes, or that public institutions of a different character have occupied such buildings must also be taken into consideration, and provisions must be made to find a place for and remove such organizations. Considering all of this, the government is of the view that the settlement and return of real estate must take place gradually, based upon individual agreements applicable to each specific case, and on the basis of the law.

### Parliamentary Debate

25000609C Budapest NEPSZAVA in Hungarian  
24 Jan 90 p 3

[Report on parliamentary proceedings: "Debate Concerning the Legislative Proposal"]

[Text] On behalf of the parliamentary committee on law, regulations, and the judiciary, Laszlo Czoma added his remarks to Kulcsar's expose. He stressed that the legislative proposal establishes the legal framework for the full enforcement of the right to the freedom of conscience and for the operation of churches, and at the same time ensures a peaceful transition in the course of changing regimes. The legislative proposal is based on the recognition that the freedom of conscience and religion is a natural and inalienable right of man, and that it is not some kind of a grant. This law intends to place the relationship between the state and the church on new foundations because in the course of Hungary's thousand-year history this is the first instance in which the state has surrendered its authority to exercise the authority of being the patron. The state expects from churches the same that it expects from any citizen: that church activities do not conflict with the constitution and with laws.

Czoma said that in the course of debate the committee held the unanimous view that the legislative proposal serves the enforcement of the freedom of conscience and religion well. The committee also agreed with the draft parliamentary resolution which provides for a review of agreements between the state and the various churches. According to this resolution all agreements reached prior to the enactment of the present law concerning the freedom of conscience and religion should be reviewed by 31 December 1990.

Thereafter, presiding officer Mrs. Robert Jakab submitted the legislative proposal for general and section-by-section debate.

Eleven representatives took part in the debate. Virtually all of these representatives stressed the significant role the legislative proposal plays in the democratization process. It is of great significance because it serves to settle the conscience of the entire nation, and frees a multitude of people from having to conduct their lives by adapting to official politics, by having to act contrary to their inner beliefs, and contrary to their conscience. The law recognizes the role played by the churches in formulating and cultivating a universal Hungarian culture.

Several representatives acknowledged with pleasure that based on the law the church may acquire management rights over the buildings it used previously, or uses at present. One representative stated, however, that there is no reason to draw a distinction in the context of providing support for state educational institutions on the one hand, and church institutions on the other. After all, the cultural benefit provided by the church institution will also be enjoyed by those who do not belong to that institution. He objected to the fact that, in certain press statements, leading Finance Ministry officials continue to support the idea of a 50-percent, disadvantageous, far-from-standard support level, and that in doing so they depreciate church schools in their own way, and lower the credibility of the state.

Several representatives stated that they would be able to adopt the law only as a transitional measure. In their view the existing, applicable constitutional guarantee would suffice, nevertheless they agreed that there is a need for this law because as of this moment freedom of religion does not fully exist in Hungary.

One representative objected to the fact that the government justified the urgency of debating this legislative proposal on grounds of the need to develop Hungary's diplomatic relations. This is an unacceptable position, in his view. Speaking on behalf of the Hungarian Democratic Forum [MDF] parliamentary delegation, the representative suggested that the Parliament which comes about as a result of free elections will once again have to review this law in its entirety. The same representative envisioned a need for the National Assembly to repeal the previous acceptance of a report filed by the chairman of the State Office of Church Affairs in December 1987. He also expressed his desire that the prime minister revoke the decoration awarded to Imre Miklos.

Others suggested that real estate be returned to the churches, because without that the churches would experience great difficulty in performing their character building, educational, and health care functions, all of which are indispensable to society. One representative brought out the fact that the people have exceeded their load-bearing capacities. In his view the economic situation is extremely grave, and in this situation which is coming to an end we should not be ashamed to seek help

from the world. Representatives of religions should also join delegations which conduct international negotiations, if for no other reason, because they are the ones not burdened by the crimes of the past.

One representative stressed that society must not surrender help rendered by religion. It is bad enough that society had put an end to the teaching and charitable orders, exiled nuns from hospitals and orphanages, and fatally weakened the churches which provide spiritual consolation and standards of conduct, all of which are indispensable to people. In continuing his statement the same representative said that the law should ensure an opportunity for communal religious practice, and not only individual religious practice in military institutions, just as it does in hospitals and in prisons.

Representatives introduced a number of modifying amendments in the course of section-by-section debate. According to one amendment, the legislative proposal should state that religious education should become an optional subject in school curricula. Accordingly, religious education should be part of curricula, and should not be listed as an activity to be chosen freely. The representative requested that the Minister of Culture develop the related provisions.

Thereafter Mrs. Jakab, the presiding officer, announced that the modifying amendments will be submitted for comment to the committee on law, regulations, and the judiciary. Culture Minister Ferenc Glatz commented in conjunction with the proposal saying that the committee should not deal with certain amendments because he would act on those within his own jurisdiction, the way he has issued similar instructions before.

## POLAND

### POLITYKA Weekly News Roundup

90EP0267A Warsaw POLITYKA in Polish  
No 2, 13 Jan 90 p 2

[Excerpts]

#### National News

[Passage omitted] Prices have increased: In accord with the new convertible-currency law, tickets for routes served by all airlines can now be bought through Lot Polish Airlines for zloty, but the prices for tickets on the Polish airline have increased; to socialist countries by 25 percent (round trip to Budapest, 226,300 zloty, to Moscow, 317,700), and still more to Western countries, for example, to London the popular reduced-fare ticket costs 3.249 million, to Chicago 16.89 million (7.82 million for a three-month ticket with firm departure and return reservations), to Singapore, 14.465 million zloty. Domestic fares also increased (Warsaw-Gdansk, 50,000 zloty). Charges for preschools, which vary, have also increased, for example, in Bydgoszcz, 3,500 zloty per day. Beginning on Monday, prices for domestic cigarettes went up by an average of 136 percent. Prices for

meat will increase; ham is approaching 30,000 zloty per kilogram. In KURIER POLSKI, Janusz Skalski is keeping a monthly account for the use of a Fiat 126p: fixed costs during the first quarter—the road tax and insurance—20,000 zloty monthly, a spring checkup, oil, etc., about 15,000, 600 to 700 km using 94-octane gasoline, 100,000 zloty, total nearly 140,000 zloty a month. The similar expenses for a Polonez are around 400,000 zloty monthly. A gas tank which now costs 60,000 zloty will increase to 160,000, a fender will increase from 63,000 to 170,000 zloty. Prices for books have increased by 50 percent (“Picasso”—an album which people continue to look for and which we recommended as a Christmas present for 90,000 zloty now costs 140,000 zloty. Ursus has unregulated prices: the popular C-330 tractor now costs 20 million zloty (previously 10 million), the heavy C-912 costs 53 million.

The OPZZ Secretariat published a declaration demanding the government outline the anticipated results of the economic program, and in particular responses to four questions: Will agricultural production increase and will the level of food consumption remain the same? Will the level of production of consumer goods remain unchanged? How much and in which groups will real wages decline, and what will the results of this decline be? What will the levels of social and welfare benefits be? “We cannot agree to policy of free prices and frozen incomes for the working people, retirees, and pensioners and their families causing a further impoverishment of a significant part of society.” [passage omitted]

In spite of appeals by Lech Walesa and Minister Tadeusz Syryjczyk, four young people continued their hunger strike demanding a halt to the construction of the nuclear power plant in Zarnowiec or the holding of a referendum among the local people.

The PZPR Deputy Club expressed concern in conjunction with the “inaccurate retransmission of the deliberations by the full Sejm on the constitutional changes which showed signs of manipulation in the way it was done and the range of materials covered” in a special declaration. The Club noted “with particular regret” that TRYBUNA LUDU also did not present “the complete comments and intentions of all the PZPR deputies during the most recent plenary session of the Sejm.” The deputies are demanding that TRYBUNA LUDU print a complete report from the debates.

The Lenin Steelworks in Krakow appeared in the press twice last week. First in conjunction with a change of the name to the Krakow Steelworks (the recommendation of the new workers’ council must be confirmed by the minister of industry). Second, the Steelworks announced that it will issue bonds in denominations of 1 million, 5 million, and 10 million zloty. Purchasers are to have “first access to the work’s products.” (Council member Robert Borkowski publicly opposed the name Krakow Steelworks: “The decision to build was directed against Krakow.”)

Minister Florian Siwicki in an extensive interview for television discussed the changes in the army. Maintaining the army in 1989 cost the country more than 16 percent less than in 1988. “It was the lowest level of expenditures for the army in the state budget during the postwar period.” The armed forces were reduced by a further 33,000 soldiers; 400 tanks, 700 guns and mortars, 600 armored personnel carriers, and about 80 airplanes were withdrawn. [passage omitted]

The miners of the Federation of the Miners’ Trade Unions opposed attempts to deprive them of rights contained in the Miners’ Charter.

Lech Walesa gave \$200,000 from his Nobel Peace Prize to the National Endowment Fund.

The confederation of the Citizens’ Committees in Gdansk Voivodship demanded the voivod resign. Tadeusz Salwa, president of Krakow, resigned his position. In conjunction with his retirement, the premier recalled Dr. Ryszard Urlinski, Elblag voivod, and named Zdzislaw Olszewski (selected by the Voivodship People’s Council), a graduate of the Higher School of Agriculture in Poznan, a candidate of the coalition of Solidarity, the Polish Peasant Part “Rebirth,” the SD, and Pax, to the post. He was voivod in 1980-81. [passage omitted]

TAK I NIE, a weekly published in Katowice, reports that Roberto Napoleone, the Italian publisher and communist, has written to Wojciech Jaruzelski and to the council of Nowa Huta saying that he has announced a subscription to purchase the Lenin monument taken down in Nowa Huta and intends to ship it to Italy.

The Main Board of the Association of Journalists of the People’s Republic of Poland has asked the members of the association who are delegates to the congress whether they agree to change the name of the organization to the Association of Journalists of the Republic of Poland. [passage omitted]

#### In Europe

[Passage omitted] Vaclav Havel, president of Czechoslovakia, paid his first visits to Berlin and Munich, generally regarded as a symbolic gesture. “Europe does not have to fear a democratic Germany. Germany can be as great as it desires. The democratic system in Germany is more important than the prospect that Germany will be a country of 80 million,” he said. In Berlin he was amazed that the wall is still standing. “If there are any problems we can send independent workers from Czechoslovakia who will help dismantle it for free.” [passage omitted]

A decision by the Bulgarian authorities awarding Muslims “the right to choose their names, language, and religion” has provoked sharp protests. In many cities there were demonstrations, also directed at the parliament, that ethnic measures be adopted by a referendum. The slogan from Kurdzhali in the south of Bulgaria: “Yes to perestroika, no to Turkish slavery in the 21st century.” An Executive Committee To Defend the

National Interests has been formed opposing the restoration of rights for the Turkish minority.

The Soviet paper RABOCHAYA TRIBUNA describes the actions of the Italian communist Roberto Napoleone to buy and save the Lenin monument from Nowa Huta. The paper cites R. Napoleone's words: "We are witnesses to a religious and political fanaticism. It cannot be called democracy. One dictatorship cannot be replaced by another. In Italy the memory of Lenin is honored. There are monuments to him. Now perhaps we can acquire another one, of which we will be proud."

Wlodzimierz Lenin was chosen the man of the year by the French weekly LE POINT, and his "political and historical death" has been judged the most important event of the entire century. Alain Peyrefitte has reached the conclusion that "the beginning of the end of the communist system in central and eastern Europe was the election of Pope John Paul II." Peyrefitte was then in the Vatican. During the coronation Henryk Jablonski, an "old anticleric" as Peyrefitte calls him, stood "with tears of emotion running down his face" next to Peyrefitte.

During the conference called by the Union of Free Democrats and the Union of Young Democrats (FIDESZ), an eight-minute film made by workers of the counterintelligence service was shown as proof that they collected information (reading correspondence and listening to phone conversations) about opposition parties and organizations. "Counterintelligence does not limit itself to exercising functions of state security, but investigates the activities of parties and organizations, penetrating their plans for the election campaign," declared a spokesman for the Union.

In a letter to the MTI press agency, Roland Antoniewicz, head of the Janos Kadar Association, against which the prosecutor is conducting an investigation for printing and distribution leaflets containing fascist slogans signed with the name of a nonexistent fascist organization, protested against a report by the agency that the Association does not exist. It is also false that a couple of months earlier it had asked the Czechoslovak authorities for military help in saving communism in Hungary, he wrote. Antoniewicz added the opinion of two psychiatrists that he is completely normal.

An Office of National Security of the Republic of Hungary and a Main National Command for the Militia are being organized. Both institutions are to be subject to the minister of internal affairs, but they are to operate independently. They will be headed by deputy ministers. [passage omitted]

### Opinions

*Kazimierz Switon, union activist:*

(Interviewed by Jerzy Wojcik, ITD 17 December 1989)

[Question] Each organization is in a sense a trampoline, regardless of what its leaders want.

[Answer] Solidarity, however, was used to too great a degree by some individuals to fulfill their own political ambitions. At present, exercising power, they will strive to limit the influence of Solidarity. From the beginning they thought about politics. The majority of the activists of the Workers' Defense Committee are former PZPR members. The fight for power between them arouse against the background of disagreements in the party. Struggles for power in the party. The trade unions were only a transmission belt to power. Now they are weakening the power of Solidarity.

*Prof. Dr. Maciej Giertych, editor in chief of SLOWO NARODOWE:*

(Interviewed by Tomasz Ordyk, GAZETA KRAKOWSKA 22 December 1989)

[Answer] A year ago I announced this slogan "I am for the Warsaw Pact but not for socialism." I stand by it today. We must eliminate socialism as an ideology foreign to us, but it is not in our interest to break up the Warsaw Pact.

[Question] Meanwhile in this field we already have some accomplishments.

[Answer] That is a peculiar paradox of our times. The current administration, which is leftist (the majority of the activists of the movement come from socialist backgrounds), is working very intensely on breaking up the Warsaw Pact. And here is the great question: Is that beneficial to our policies? Thanks to the Warsaw Pact we have had safe boundaries; today there is concern about our territorial status. And it is we who are breaking up the pact, and others are following us. It is we who tested whether the Brezhnev doctrine holds; others benefited without the risk. [passage omitted]

### Mazowiecki on Polish-Soviet Relations, Foreign Policy

90EP0270A Warsaw RZECZPOSPOLITA in Polish  
15 Dec 89 p 7

[Interview with Premier Tadeusz Mazowiecki by V. Korotich, editor in chief, OGONYOK, originally published in OGONYOK (No 49, 2-9 Dec 89) and edited for RZECZPOSPOLITA by J.B.: "Hopes and Duties"; date and place of interview not given; first paragraph is RZECZPOSPOLITA introduction]

[Text] The above is the title of an interview with Tadeusz Mazowiecki, Polish premier, which appeared originally in the Soviet weekly OGONYOK (No 49, 2-9 Dec 89). The interview was conducted by V. Korotich, OGONYOK editor in chief. We are presenting it here in a somewhat abbreviated form.

[OGONYOK] Mr. Chairman of the Council of Ministers, have you ever been in the Soviet Union before?

[Mazowiecki] No, this is my first trip here. I understand the seriousness of the moment and I realize that our

countries ought to live together, that this is a political issue of primary importance. At present our cooperation is quite diverse, ranging from bilateral relations to such multilateral relations as the Warsaw Pact. If we look back we must notice that various views on cooperation with Russia have existed in the tradition of Polish political thinking, but that these views have never emanated from normal relations between our countries.

[OGONYOK] And so all indications are that today between Poland and the Soviet Union, authentically normal relations have been worked out. For so long we have been living somehow between crises and holidays. Either we have embraced one another and said, oh, dear friends, we are together and everything is okay, or we have clutched our heads crying out that the enemies are in our home, that somebody there is ruining our idyll. At the same time, ordinary life in Poland and everyday reality in the Soviet Union have transpired somewhere on the sidelines. And perhaps that is why it is so important that we have really and honestly gotten together now, because similar phenomena and processes are taking place in both of our countries...

[Mazowiecki] I agree with you, for I have the same impression. We must be rid of the "between crises and holidays" situation or situations in which we appear to be either mortal enemies or friends who have no problems, and the sooner the better...

[OGONYOK] Is life not becoming easier? All of a sudden we are discussing everything—Katyn, real issues. While I do not know whether this will bring us together instantly, it is developing some kind of equal relations with equal rights, with no younger and older brothers. Two countries who have equal rights headed by leaders who are accepted by their peoples on equal principles. In your opinion, what should be done for our nations, and especially for the Polish nation, to help it accept psychologically the new shape of our mutual relations?

[Mazowiecki] I think that two things should be done. First, the past should be cleansed of lies. Second, it should be shown that relations that are based on a true partnership and on truly equal rights are possible. It should also be understood that it is difficult to expect rapprochement between our nations until we fill the deep ditches of the past. We must assuage the pain which is not directly associated with either your nation or your leaders today. However, these problems are poisoning current relations, since both sides have still not told the truth—the truth about Katyn, about deportations, and about the millions who perished. The announcement of this truth does not diminish our respect for those who died in battle during the last war, in the march on Berlin. This is a different dimension, another matter. Meanwhile, the ditch I mentioned which must be filled essentially still exists as a result of lies and half-truths. The creation of a partnership of sovereigns demands that these obstacles be eliminated. Our cooperation should find support among ever broader layers of society. In this

way, the people's sense of equal rights becomes universal. Many people see today that changes have occurred, but that they are somehow not changes for "them." If our cooperation rests upon a broad social base, these shall become "their" changes.

[OGONYOK] Interstate relations are not an abstraction and this is only an element of the situation. The individuals who stand at the head of states have enormous significance. How do you assess the Soviet leaders? Have these people, who are so different from those who led us 10 years ago, interested you?

[Mazowiecki] I believe that the people whom I have met are top-notch. Their way of thinking and the criteria by which they are guided are absolutely up-to-date. This has been not only a very important event in my life, but an extremely interesting one as well. It is simply extremely interesting to meet people in such a class: they are direct and they live amicably. It seems to me that these are a completely different kind of people.

[OGONYOK] From all indications you too are a completely different and new type of person. And a new era has also arisen in which administrative-bureaucratic (for lack of a better description) "socialism" is dying. This phenomenon is of an historic and all-encompassing nature. (...) It is difficult for me to differentiate the phenomena which take place in the Soviet Union from those which are taking place in Poland and in other countries (...) But truthfully, your opinion and your impression is more important for me. Do you have a sense that the problems we face are common to both of us?

[Mazowiecki] I believe that everything should take place both in the Soviet Union and in Poland. If you do not succeed, we will not succeed either, and if we do not succeed, then neither will you. There is a very close interdependence here. I understood the importance of the talks I held in your country. Obviously, our paths diverge on many issues and we also differ in the rates at which we travel these paths. Likewise, our methods of problem-solving differ, but the major lines clearly demonstrate our interdependence.

[OGONYOK] (...) There is still another problem which is occurring both in Poland and in the Soviet Union. (...) People want a miracle; they want everything immediately. Barely having elected the parliament in May of this year, they are already complaining to the deputies that there is still no kielbasa in the stores...

[Mazowiecki] It is like that in Poland too. In fact, the first tasks I indicated to USSR Council of Ministers Chairman N.I. Ryzhkov as we rode together in a car from the airport related to this very thing. I noted the lack of patience and he replied that he knew very well what I meant, for in the Soviet Union many people are demanding results (from the actions of the authorities—J.B.) yesterday. It is a tough issue. But I stick by one concept, or specifically, by the values inherent in this concept: that of political culture. Let me say a little about



that in conjunction with Polish-Soviet relations. We must understand that in the course of passing from totalitarian to democratic relations, various movements and disturbances arise, some of which are even extremist in nature, and which are also beyond the control of the situation. At the same time, the example of Polish solutions demonstrates how very important it is for a fundamental portion of society to possess a specific level of political culture. By this I understand not only a certain technique of social life, but likewise a specific system of preferred values. Here I note the adherence to peace, an evolutionary approach, culture and the skill to understand one's partner, and even his enemy.

Returning to Polish-Soviet relations, I allude to the idea that de Gaulle expressed once orally or wrote in his Diaries: "Geography cannot be altered, but geopolitics can." Take France, for example. Once it warred with three neighboring countries: Germany, England and Spain. However, the contemporary development of events has caused the societies of these countries to be open and amicable to each other. Is there any reason that we in Central and Eastern Europe cannot open up to each other? Look at Poland, for example. Czechoslovakia is our southern neighbor. While there have not been many conflicts between us, mutual relations have not been the best. They have viewed us as romantics not to be taken seriously, while we have looked down upon them from above. We have an obligation to combat this. Or take the Germans. Many things have happened between us, but there have also been periods of cooperation and mutual influence and here everything should change for the better. Finally there is the East—the Russians, the Ukrainians, Lithuania and Belorussia. The processes of mutual consultation and openness in relations with these nations are still before us. And since we are in closest proximity to you, our historical ties are likewise close. We must develop fully relations with the great country and people of Russia. These relations cannot be limited to considerations of the meetings between Mickiewicz and Pushkin, but mutual intercourse between our peoples must be developed directly as well. This is especially so since these people have a decisive impact on the situation in this region of the world. If this does not occur, if our community does not develop, we will not change the geopolitical situation for the better.

#### **PZPR Properties, Finance: Ownership Issue Proves Thorny**

90EP0261A Warsaw *RZECZPOSPOLITA* in Polish  
7 Dec 89 pp 1-2

[Article by Piotr Aleksandrowicz: "Property of the Party or the People"]

[Text] A restaurant was set up in the building of the City Committee of the Polish United Workers Party (PZPR) in Lublin. In Lodz, Party Polonais and Volgas may be rented for 9,200 zlotys an hour. Hotels in Party schools and car shops in the Committees are becoming available

to the public. A night club will be opened in the Lodz Center for Ideological Education, and in Warsaw there is a rumor about leasing a part of the Central Committee building to a bank. By disposing of a great deal of property, the PZPR is beginning to make money; all of the examples may be found in the striking report of the last PRZEGLAD TYGODNIOWY [PT].

The authors, writing about the administrative activity of the PZPR with approval, also remind us that this activity was caused by the withdrawal of multibillion relief funds and appropriations that the Communist Party received from the state budget or, in reality, from the pockets of millions of citizens.

The PT reporters do not, however, pose the somewhat worrisome question as to whether PZPR should not, by the way, return at least a part of its wealth to the people. "Prasa-Ksiazka-Ruch" Worker's Cooperative Publishing House (RSW), the publisher of PRZEGLAD TYGODNIOWY, was dismissed in the report in two sentences: that changes are occurring in it in the direction of less ideological ballast and more money.

The sudden eruption of enterprise in the Party engenders serious doubt. In past years, property of the State and the Party merged. Party property came into being both formally and informally, legally and illegally. Examples can be provided of appropriating, seizing, or buying at half price. Decisions of the authorities transmitted State or public property to the PZPR and its branches. The question arises as to whether this situation should be condoned by silence or whether the map of Party property should be amended, sources of the property traced, and what is public property turned over to the public.

How can this kind of paradox be resolved otherwise? In Szczecin, for example, PZPR intends to sell or lease half of the Voivodship Committee building. Among others, the Social Security Agency [ZUS] and the University are interested parties. After years of draining the budget and appropriating the property of other institutions, PZPR now intends to maintain itself by extracting tribute from the higher school for which citizens pay through the budget. But perhaps the Party will be paid by retirees and pensioners from whose funds the ZUS will prepay appropriate charges?

It might be said that the new way to finance PZPR from the budget is more elegant than the method used thus far, but was this the point? Did anyone investigate what is in reality property of PZPR and what the city administration held in past years for a symbolic zloty's rental fee? What will become of the places and buildings that were illegally taken over in the 1940's and 1950's? What will become of the seized printing offices and other enterprises? More and more questions arise. We have already written several times about RSW. The plan developed in October by Comrade Mieczyslaw Wilczek is simple. RSW should be broken up into small cooperatives as quickly as possible, and these should then be reorganized



into companies. This is intended to "rescue the property" and "ensure the former owners of RSW of fair profit in the future."

Among others the following would be "made independent": Ruch, Książka i Wiedza, Młodzieżowa Agencja Wydawnicza, Interpress, Krajowa Agencja Wydawnicza, and Ars Polona. All of these enterprises, included at one time in RSW, would become detached cooperatives; it is clear, of course, that they would continue to be managed through PZPR (or heirs of its estate in bankruptcy) and working to satisfy its financial needs.

The division would also involve printing offices and press titles. The profitable PRZYJACIOLKA and the unprofitable PERSPEKTYWY together with the printing office on Okopowa Street in Warsaw would form a press-publishing cooperative. They would join ZYCIE WARSZAWY, PRZEGLĄD TYGODNIOWY, and the printing house at Marszałkowska Street. KOBIETA I ZYCIE as well as PANI and WYKROJE I WZORY together with printing offices in Pila and Bydgoszcz would form a cooperative in turn, and so on and so forth.

In effect, the "inviolability of rights and profits" would be assured to the former owners. Comrade Wilczek estimates that as early as in 1990, five new cooperatives could bring in 15 to 20 billion in profit. The author writes: "RSW must be divided ... beginning with the most profitable titles, which guarantee high profits as early as next year for the Party, and they must be maintained within the orbit of its political influence."

From the point of view of PZPR, this project is wholly reasonable. A businessman and not a party apparatchik prepared it. Also reasonable is the suggestion that journalists should be well paid so that they would not protest these "reforms." Buying silence is a phenomenon as old as the world. It seems that mainly because of bureaucratic resistance, specifically this project, or any such project, is put into operation very slowly. As we see in PRZEGLĄD TYGODNIOWY, PZPR does not intend to inform us of the details.

However, the question remains open: is the point of view of the PZPR also the point of view of the public and their representatives in the Sejm and the Senate.

In Hungary, in the course of negotiations between the Communist Party and the opposition, the question of Party property was brought up and, it seems, auspiciously resolved. The Hungarian reformers recognized that the interest of the public is more important than that of the Party. The property is being returned by the Communist Party. We will present a report on this shortly. Similarly praiseworthy examples can be found in Poland also. But the general line of action of the central and local PZPR authorities is different. GAZETA WYBORCZA expressed it laconically: "We will hand over nothing that is ours to Poland."

A few weeks ago, the government presented questions of financing political parties. It was announced that it does not intend to carry out a recovery action. But the government is the executive authority. If the feelings of the public suggest to the representatives and senators that they take up the matter of PZPR property, they should do so. If they reach the conclusion that antimonopoly action should be undertaken in the RSW matter, an appropriate government agency should be charged with this action. If it is public opinion that most of the printing offices and the largest publications cannot be the property of the Party alone, then its representatives in Parliament have sufficient legislative authority to return Party property to the public.

### Union for Real Politics Chairman on Neoliberal Ideals, Party

90EP0271A Warsaw PERSPEKTYWY in Polish  
8 Dec 89 pp 18, 28

[Interview with Janusz Korwin-Mikke, chairman, Union for Real Politics, by Dariusz Liwanowski: "Giving the River Its Proper Course"; date and place of interview not given; first three paragraphs are PERSPEKTYWY introduction]

[Excerpts] The Union for Real Politics is a party of Polish neoliberals. It currently has 600 members and, according to the chairman, new members are being added daily. Four branches operate throughout the country. The strongest one is in Wrocław, and the other branches are the Warsaw, Łódź, Mława and the newly created Poznań branch. Free market capitalism is the fundamental program idea of the party.

Membership dues are paid in foreign exchange.

We are speaking with the creator of the Union for Real Politics, one of the more controversial figures on the Polish political scene, Mr. Janusz Korwin-Mikke.

[PERSPEKTYWY] The supply today on the ideas market is great and there is a variety from which to choose. Roughly speaking, what do the liberals have to offer?

[Korwin-Mikke] I shall make use of a comparison. The anarchists believe that rivers should flow unchecked, however they wish. At some future time they will surely find the optimal riverbed. The socialists, or more precisely, the apparatchiks, are convinced that one should direct the water with a stick to get it to flow in the desired direction. We liberals favor the establishment of a system of barriers to give the river its proper course. In other words, we work at persuading those involved to grant people the freedom to act, to refrain from imposing care upon them and generally not to force anything upon them. The general legal framework and standards of behavior are enough to reassure us that everyone will take care of himself.

[PERSPEKTYWY] In concrete terms, what would be the shape of this societywide legal-ethical system?

[Korwin-Mikke] Most simply it may be called a return to those values that made possible the development of humanity: honor, truth, justice and the sacred rights of ownership. These are merely empty words today. People give thought to their significance about as much as they do to the fact that the earth revolves about the sun. The sense of honor ends where honor ceases to be profitable. It is the same with keeping one's word. Let us observe how much time a man loses on various calculations of the sort: is it more advantageous to tell the truth or to lie? Are a certain person's intentions pure or is he trying to pull the wool over my eyes? No one would preoccupy himself with such things if it were accepted that one simply does not do this. On principle. Meanwhile, the socialists appeared and decided to take away what people have and to make it so-called common property. We see the results—an economic collapse. This is not merely the case in Poland, but in many countries of the world. Just look at the United States. How that country has faded and declined since becoming infected with socialist toxins...

[PERSPEKTYWY] In your public addresses you frequently refer to the presidency of Ronald Reagan and the policy carried out by Mrs. Thatcher.

[Korwin-Mikke] We are guided by similar views. According to American terminology, we are in the conservative camp. Both libertarians and Christian fundamentalists voted for President Reagan. They are completely opposing factions, but they support free-market principles. It is the same with us. The libertarians, the conservatives, the nationalists and even the monarchists favor economic liberalism. I have been promoting this idea for 25 years. Until now the times were not favorable for it, but now people are becoming convinced. That is also what happened in the United States. Mr. Reagan entered the election with exactly the same program as Barry Goldwater a quarter of a century before him. Goldwater utterly failed, gaining 28 percent of the votes, while Reagan received 60 percent.

[PERSPEKTYWY] The personality of Reagan, who was then elected president, was largely responsible for this success....

[Korwin-Mikke] While Mr. Reagan is certainly a better actor than I am, I believe that I am a better statesman and ideologist. President Reagan was quite a latecomer to conservatism, to neoliberalism. At one time he was the head of the actors' trade union. But it is fortunate that he did what he did—fortunate for the Americans, who had had enough of Mr. Kubus Carter. Jimmy is Kubus in a literal translation from the Anglo-American. They were tired of Kubus, who ushered in democracy, walked around in shorts, shook hands with passersby and listened to what the teenagers had to say. Mr. Reagan was the opposite. He fleshed out the role of president excellently. He wore a top hat and tails. The Americans saw in

him both a premier and a king. They valued him as a upright man, solid and full of optimism, as someone who restored to their country the self-assurance it had lost.

[PERSPEKTYWY] You often reiterate that the best cure for our country is the radical imposition of hard capitalist regulations, without sentiment and without looking at the cost to society.

[Korwin-Mikke] I have proof that many people are expecting this. There is a universal weariness which does not end with transitional periods, stages of reform and a general economic paralysis. This engenders rebellion and the radicalization of attitudes. In any case, the majority of people would give a "yes" answer to the question: Are you in favor of the rapid introduction of a capitalist economy even if it meant you had to spend next winter without central heating and hot water?

[PERSPEKTYWY] Can you be more specific about society's support for the Union for Real Politics?

[Korwin-Mikke] A poll shows that our ideology is drawing about 30 percent of the electoral votes. At the same time, it is difficult to determine exactly how many would be for the Union itself. The votes might be scattered, for other parties have realized that these ideas are good electoral bait, that we provide something to chew on. Consequently, if the leftist liberals, on the one hand, and such conservatives as the Christian National Association, on the other, stand firm with us, then our registers may drop below even 10 percent.

[PERSPEKTYWY] Even 600 Union members is not very many.

[Korwin-Mikke] Had I been able to express my views a few years earlier, there would not be 600 members, but 600,000 members. But we are not concerned about numbers. Organizations which have a large number of members are organizationally sluggish. Moreover, God forbid they would then gain control of the government, it would go to their heads and they would invent government positions for party activists. I support the idea of government rule by a body of four persons. The numbers in the apparatus mean nothing. Do you know how many people were in the gestapo apparatus during the General Government? There were 410! The Union is so well organized that it could run the United States.

[PERSPEKTYWY] Does the current government cabinet meet your expectations?

[Korwin-Mikke] For the most part, socialists, advocates of social welfare, entered this government. But there are also several neo-liberals—Mr. Tadeusz Syryjczyk, minister of industry, and Mr. Marek Dabrowski, deputy minister of finance, as well as the somewhat less radical Leszek Balcerowicz, deputy premier, and Minister

Aleksander Paszynski. The proportions show that while the socialists have yielded the management of the economy to us, they still want to share in its management. Moreover, as for the liberal doctrine itself, it already had its representatives in the previous government, such as Mr. Wilczek, former minister of industry.

[PERSPEKTYWY] In what position in the government would you see yourself?

[Korwin-Mikke] Only a dictatorship in the field of the economy would make sense. And so I could take over from the head of state a function similar to the one President Carmon entrusted to Antonio de Olivera Salazar. When the Red officers overthrew the post-Salazar government, there was more than a ton of gold in the Portuguese treasury. In the course of a month, the so-called democratic authority squandered it to the very last ounce.

I would have to have legislative powers in this position. That is the most important thing. Executive authority is of secondary importance.

Our quarrel about the personality of the premier was odd. The premier is only the first minister, the servant of the parliament, who is to execute what he is ordered to do. Meanwhile, the people who have come into the parliament are certainly worthy of respect but they are not necessarily highly qualified. Such a great number of heads will never generate anything sensible. An example of this is the recent blunder with the law on indexation, which was passed with substantial errors. If only 40 deputies and not 600 sat in the Sejm, the decisions would certainly be more sensible. I believe a small body of specialists should hold legislative powers.

[PERSPEKTYWY] After assuming authority, the reformers usually feather their nests and yield to the spells of an expanded nomenklatura.

[Korwin-Mikke] Not in the case of a government of liberals, since our first move would be to completely demolish the official apparatus. Without a moment's hesitation we would dissolve Solidarity, the OPZZ [All-Polish Trade Unions Agreement], the PZPR and similar socialist organizations. In a state organized according to free-market principles, the role of officials is reduced to zero. There is no need to disburse banknotes, to apportion parcels of land or to decide on priorities in public outlays, since this is all regulated by the market. There is no cadre policy in a state of liberals. It is reduced to several state positions and the police guarding the observance of law.

[PERSPEKTYWY] My dear sir, you are going to extremes, more like someone from the "Union of Unreal Politics."

[Korwin-Mikke] Just as the communists have not succeeded in implementing their extreme goals, we also know in advance that we shall not succeed. But why should we not aim towards them, or why hide them? In

the first place, this would be dishonest to people, and in the second place, it would demobilize our supporters. When a war is going on, and we—let us be honest—are warring with the left, clear-cut and more extreme goals are laid out. Otherwise there is no winning. Churchill and Attlee could have dream-visions of the future of the German in the quiet of their offices, but they did not muddle the heads of their soldiers in the field with subtleties: "There are bad Germans and good Germans." No! They said: "The German is the enemy!" The end, period. [passage omitted]

[PERSPEKTYWY] Besides honoraria, what is your source of income?

[Korwin-Mikke] I work in the liberals' "Officyna" ["oficyna"—publishing house]. When "oficyna" is spelled with two "f's" it means underground in order to distinguish it from the legally registered "Oficyna," which has not published anything yet. For a certain period I ran a construction company as an agent, but I ran into too many clients who did not pay and I went bankrupt. If you calculate per capita based on the number of my family members, I earn less than the poverty level, which does not mean that I am complaining. Not on that score. I have a home and a good make of car.

[PERSPEKTYWY] Yet another Polish paradox.

### **Labor Party Congress Meets, Defines Place on Political Map**

90EP0293A Warsaw LAD in Polish  
No 52-53, 25-31 Dec 89 p 2

[Article by Jerzy Wysocki: "The Labor Party Congress"]

[Text] "The Labor Party has returned to Poland's political map. Properly speaking, no one has erased us from it. Owing to coercion in the horrible 1940's we had been forced to suspend our activities. Now that the times have changed, we are returning!" said the party's precongress message.

The congress, held on 9 December in Auditorium Maximum, University of Warsaw, was not yet a statutory congress of the Labor Party; it provided rather an opportunity for a meeting of domestic and foreign Christian democrats. Thus, in addition to members of the Labor Party, others coming to Warsaw were representatives of like-minded local groupings such as the Stefan Kaczorowski Christian Democratic Club of Lodz, the Unia Christian Democratic Club of Lublin, "Freedom and Democracy" in Elblag, the Truth and Justice Political Association of Bydgoszcz, and the Lublin and Gorzow Clubs of the Catholic Intelligentsia. Foreign visitors also attended: Brian Palmer, deputy general secretary of the Christian Democratic International; Thomas Jansen, general secretary of the European Christian Democratic Union and the European People's Party, also representing at the congress the West German CDU, and representatives of Christian democratic parties from Italy, the Netherlands, and Spain. Also coming

were senior members of the Labor Party who had heretofore been working on behalf of the party while abroad, including Konrad Sieniewicz, a member of the Main Board of the Labor Party in 1946.

During a prior Mass said at the Church of the Holy Cross, the Reverend Bishop Wladyslaw Miziolek transmitted greetings and best wishes for the congress from the Reverend Primate Jozef Glemp who was unable to attend, and in his sermon he pointed to the principles by which lay Catholics should guide themselves in their political activities.

Greetings for the congress were also conveyed to the Labor Party Chairman Attorney Wladyslaw Sila-Nowicki from the Chairman of the Council of Ministers Tadeusz Mazowiecki. The Premier expressed the hope that "the participation of the nascent Labor Party in the changes taking place in Poland will serve the common cause of our Fatherland."

This first large meeting of Christian democrats in 43 years prompted reflections on the rich and dramatic history of the Labor Party. Reminiscences were contained in the speeches of congress participants, but consideration of the party's present and future was the dominant motif. As assumed, the congress was to be a major factor in the work on a detailed party program which is to be adopted several months hence by the first statutory congress of the Labor Party, and to define the place of Christian democracy on the country's political map.

"We are Christian democrats. What does this mean, above all? It means," explained Janusz Zablocki, vice chairman of the Main Board of the Labor Party, "that we want Poland, which now after a half-century of enslavement can be created by the people, to explore the foundations for its system of society, its rights, education of youth, and the life of the community, in the moral values of Christianity to which our nation has been so strongly bonded by history."

These moral guideposts are, as concerning the life of the community, identified by Christian democrats with the social teachings of the Catholic Church. These teachings do not provide a system-of-society model but, even so, point to the direction in which social, economic, and political life should develop, as pointed out by the Reverend Professor Joachim Kondziela, coordinator of the Labor Party's Team of Experts.

At present many political groupings, including even certain orientations within the PZPR, support Catholic social teachings. However, the Rev. Prof. J. Kondziela says, "These teachings cannot be treated selectively. What various groupings are declaring at the moment is selective identification with the social teachings of the church. The Labor Party cannot afford such selectiveness; it must accept these teachings in toto. Otherwise, it will not be credible."

Thus, in the domain of economics, as mentioned by Zygmunt Drozdek, vice chairman of the Labor Party, Christian democracy in Poland, as throughout the world, supports a market economy and pluralism of ownership of means of production. At the same time it also supports state interventionism into market mechanisms so as to protect the social interests of the society. This is, as pointed out by the Rev. Prof. J. Kondziela, a model of a so-called social market economy oriented more toward the consumer than toward the producer, a model adopted after World War II and successfully implemented by the West German Christian Democrats.

In the Polish situation, the participants in the discussion concurred, it is thus necessary to pluralize modes of ownership "by returning to the people what was taken away from it," as Andrzej Owsinski, a member of the Main Board, put it. The Rev. J. Kondziela acknowledged that the model best reflecting Catholic social teachings is the recent, popular—also in Poland—ESOP, or Employee Stock Ownership Plan. He pointed out that pluralist modes of ownership are a prerequisite to the success of the economic reforms, because otherwise the big-industry working class, being deprived of the right of ownership, would continue to act like an aggrieved claimant.

Speaking of social policy, Zygmunt Drozdek formulated the principles on which it should be based. He demanded a shift in emphasis of social security policy from the traditional emphasis on the individual to emphasis on the family, as well as legal safeguards for the social minimum and the development of an unemployment insurance system.

Zygmunt Drozdek also stated that the Labor Party does not want to be a class party. While it perceives the natural divergences in the interests of discrete social strata, it desires to reconcile and combine these interests and then articulate them at its political forum.

The issue of the influx of foreign capital to Poland proved highly controversial. Many participants in the discussion viewed it as imperiling state and national sovereignty. Such views were explicitly opposed by Senator Walerian Piotrowski. "Without the West's help we will not rebuild our economy," he argued. "I understand the fears dictated by historical experience, but the times have changed. We are proceeding in the direction of Europeanization, and in the West the flow of capital—and hence also transfers of titles to property—is a completely normal thing."

Another major issue at the congress was the relationship of Christian Democracy to the political changes occurring in this country and the place of the Labor Party on the present-day political map.

"Freedom is not yet democracy," said the Labor Party Chairman Attorney Wladyslaw Sila-Nowicki. He pointed out that, as before in history, individuals who self-sacrificially struggled for democracy, often depart

from democratic principles once they are in power. Thus that curse of our century, the "monoparty" [one-party rule], takes form.

"If the pernicious monoparty principle wins in some country," the chairman continued, "censure should fall not only on those who create that monoparty but also on those who agree to it.... If people who profess certain ideas fail to act, those who do not profess them are the victors even if they are in the minority.... The road to the monoparty leads through passivity."

The monoparty concept was also discussed by Janusz Zablocki:

"Some people claim that a single superparty based on Solidarity and using its name should be formed. The propagators of this idea are aware that if they had openly proclaimed their leftist program their chances for gaining social support would be small. That is why they find it more convenient to act under the plaque of Solidarity with its positive associations.

"The same groups," said Janusz Zablocki, "have recently been promoting the idea of a government based on a coalition of the Solidarity Left and the self-reforming PZPR, a coalition of the Pinkos with the Reds, as the Warsaw man-on-the-street says. Such a coalition, combining the extraprogrammatic assets of both parties, would signify the continuation in a new form of the Left's traditional monopoly on the government, a monopoly with which the Polish society is definitely fed up. That would retard the process of the articulation by the Polish people of its actual aspirations."

This also was how the political situation was defined by the representatives of the political groupings close to the Labor Party who were invited to the congress. In view of the peril of a fusion of the leftist forces they supported the necessity of a rapprochement among groupings with a Christian or, more broadly, center-right orientation.

Antoni Macierewicz (Christian-National Association) said, "We are linked by commonly professed values and our programmatic planks and views of the political situation are close. I hope that the time will come when we shall walk not only on the same road but also more in step."

General Franciszek Kaminski (Polish Peasant party) said, "We are linked by ties of cooperation reaching as far back as the wartime and immediate postwar years when the Polish Peasant Party and the Labor Party, the sole opposition parties vis a vis communist rule, had met the same tragic fate. Now, too, we must jointly rescue Poland."

Marian Bakowski (National Party) said, "We and you are branches on the same tree. We must cooperate, because we have the same enemies."

Leszek Moczulski (Confederation for an Independent Poland) said, "The activities of the Confederation also

are based on Catholic social teachings. These teachings do not offer ready-made and unequivocal solutions, and it may be that we shall differ in the specific solutions we advocate, but not too much. The cooperation between our parties is developing very well, and our contacts are amicable."

Janusz Korwin-Mikke (Movement for Real Politics) said, "I declare cooperation in the struggle against leftist tendencies. The climate is right for forming the Anti-Socialist Front. By acting separately but striking together, we magnify our chances."

Adam Piesniar (Movement of Free Democrats) said, "We as a grouping with a pluralist worldview are gratified by the successes of the Labor Party and consider them as our own."

Piotr Piesiewicz (nationalist grouping associated with *Slowo Narodowe* Press): "The common roots from which our orientations grow are Catholicism and Polishness. We shall be linked by the same position on many concrete issues."

Aleksander Legatowicz (Societas Christiana): "As regards social policy we feel ourselves to be, speaking in general, disciples of the Reverend Stefan Cardinal Wyszyński. Thus we are close to one another. Cooperation among all Christian groupings is needful."

(Unauthorized quotations)

Toward its end the congress adopted resolutions concerning the boundary on the Odra and the Lusitan Nysa, local self-rule, and ratification of the international convention on the rights of the child. In addition, it adopted a political declaration, a message to the renascent authentic peasant movement, and a resolution concerning Poles living in the Soviet Union.

### Citizen Committee Section Activities, Election Preparations

90EP0293B Warsaw *RZECZPOSPOLITA* in Polish  
19 Dec 89 p 3

[Article by (WKR): "Liaison for the Civic Movement: Support for 1,500 Committees"]

[Text] The Task Force for Cooperation with Citizens' Committees includes 11 sections. This task force, initially named Task Force for Contacts with Regions, had been formed in April 1989 by the National Electoral Office of Solidarity. It had assisted in and coordinated the electoral campaign, and at present it is providing assistance to the movement of citizens' committees, of which more than 1,500 are active in this country.

The committees are undertaking all kinds of local economic, cultural, publishing, and charity initiatives, and preparing the elections for local self-governments as well. They are encountering, however, enormous organizational and financial difficulties as well as problems with their competences. The Task Force for Cooperation with

Citizens' Committees is trying to alleviate these difficulties by mediating between the movement and the OKP [Citizens' (Solidarity) Parliamentary Caucus] deputies and senators, organizing training, lectures, legal assistance, and databanks, and providing publishing facilities.

A major section of the Task Force is the Citizens' Committee Liaison Section, whose purpose is to assure an efficient flow of information between the OKP and the Citizens' Committee under Lech Walesa, on the one hand, and the broadly conceived movement for civic initiatives throughout Poland. The members of that Section are called liaisonpersons (at the moment they number 25) and they are in direct contact with citizens' committees throughout Poland. At present they provide representatives of local communities with information that can be of help to preparations for elections and intervene in matters with which the committees cannot cope on their own.

A very special role is to be exercised in the next few months by the Local Self-Rule Section, formed in connection with the coming elections to local governments. It disseminates the knowledge that the importance of local democracy to the life of citizens is at least as great as that of parliamentary democracy, that the coming elections will make it possible to eliminate local coteries and cliques, and that only the introduction of a democratic system of local self-rule can make irreversible the changes taking place in Poland. The Section is organizing meetings and conferences devoted to self-rule topics, preparing training seminars and courses for activists, and disseminating materials and publications.

A major role is also played by the Self-Help Section, formed last November to provide organizational-legal and informational assistance to all kinds of charity and public drives, as well as by the Legal Aid and Intervention Section, which assists the committees in situations requiring broader consultation and external intervention.

Of a certainty, the activities of the Section for Economic Initiatives, which is being established just now, will be of great importance. It will act as a reception center for Western business as well as explore new funding sources, draft loan proposals, and mediate between foreign creditors and Polish entities.

The Task Force for Cooperation with Citizens' Committees has its offices in Warsaw ([ZIP] 00-950), at ul. Fredry 6; telephone: 635-52-11, 635-43-53, 635-54-97 (fax); telex 1177764. Its operations are directed by Wojciech Onyszkiewicz.

## ROMANIA

**Peasants' Party Seen as Strongest Political Force**  
90EB0256A Munich SUEDEDEUTSCHE ZEITUNG in German 26 Jan 90 p 10

[Article by Christoph von Marschall: "Anything but Communism; The Romanian Opposition Is Taking

Shape Only Arduously; Opponents of the Transitional Government in Romania Are Rallying in the Peasants' Party"]

[Text] Bucharest, 25 Jan—"The Front...those are all Communists," says Valentin Gabrielescu categorically; and the 70-year-old spokesman of the National Peasants' Party will not discuss this with anyone. The authoritarian manner of establishing the election date on 20 May by the Romanian transitional government without a say from the new parties, but most of all the arrogant way of announcing it by Silviu Brucan, a Council Member of the National Recovery Front ("the Opposition can make proposals, and we can decide") has tended to reinforce Gabrielescu's opinion: "We don't trust the front; it just wants to say in power."

Gabrielescu's life experience dictates who "the Communists" are. We are an old Party that was founded 120 years ago. We formed the government twice between both World Wars. "And," Gabrielescu continues proudly, "the Peasants' Party was absolute victor with about 70 percent of the votes in the first election after the Second World War in November 1946." However, the communists assumed power, the democratic parties were outlawed and their politicians were incarcerated. The former chairman, Iuliu Maniu, died in prison in 1953, Gabrielescu spent 10 years behind bars and the current acting party chairman, 74-year-old Cornel Coposu, was locked up for 17 years.

### The Illegal Time Is Over

The National Peasants' Party has again been registered as a legal political force since 11 January. It still carries the extension "Christian and Democratic" because it joined the Association of European Christian Democratic Parties during the time it was outlawed. If Gabrielescu's data are approximately correct—and observers in Bucharest do not doubt this—then the Peasants' Party is numerically the strongest political force in the country: 145,000 members joined in the last few days, 35,000 of them in the capital Bucharest. The Party is strong everywhere in the country except in the Hungarian communities. Of the 20 registered Parties, the two others to be taken seriously are the Social Democrats and the National Liberals; they have half as many members at best. Gabrielescu can envision a coalition "against Communists," but "only when it is necessary." He believes in an absolute majority for the Peasants' Party.

The Peasants' Party owes its new seat to the self-confidence of the Party leadership. It simply moved into a study house of the decayed Communist Party; a model villa in turn of the century style in the middle of downtown. "We communicated that to the City Administration and it was confirmed," Gabrielescu says in an inflection as though it were self-evident. "We used to have a much better party headquarters before the communists confiscated it just like they did our newspaper, DREPTATEA (Justice)." Gabrielescu complains most about the Party having no access to the media. It was

discussed with the National Recovery Front in a very friendly atmosphere, the Front promised assistance but nothing has happened so far. "We have no paper, no printing works and no money." "One can't buy anything in this formerly Communist country."

Direction signs cut out of cardboard hang in the stairwell: Xerox, Political Department, Administration, Press. The copier was sent by exiled Romanians from England. A female Norwegian journalist left the first typewriter there. "Delegates of the Italian Christian Democrats have already been there," Gabrielescu relates. Of course, no one from the CDU/CSU [Christian Democratic Union/Christian Social Union] has shown his face. "The Germans are not so enthusiastic," he says, but it doesn't sound reproachful.

The question of outside assistance could still become a big dispute. Bucharest newspapers report that, in addition to establishing the election date, the Front has prohibited financial support from foreign countries. However, Council Member Brucan apparently did not risk communicating this to the international press, too.

In spite of all complaints about the transitional government—Gabrielescu calls it a "Front of Personal Salvation," a front of personal recovery, not of national recovery—he, nonetheless, admits that the Peasants' Party is not yet capable of taking over the government. However, that will change before the elections. The intelligentsia will join the party with the important traditional name, "because their fathers were also among us." Not only the elderly gentlemen are represented in the party leadership; the younger generation is, too. Of course, former Communist Party members must also be accepted; in the past, every career advancement—from a master craftsmen's diploma to a doctorate—nearly always depended on party membership. "Only for those, who were at the top—in the ministries, the regional party committees and in the inner circles of power...there will be no excuse for them."

#### **Program Component: Market Economy**

The foregoing program of the Peasants' Party consists solely of catchwords: Christian morals, freedom, private property ownership for small and medium-sized enterprises and market economy. Gabrielescu cannot initially deal with the question of whether his party is in favor of a "social market economy." "No, of course, a capitalist market." Anything that remotely sounds like communism or socialism is distrusted. He envisions "the Swedish or the German version."

National minorities should receive "complete equality." "We have no problems with the Hungarians, because they are anticommunist like we are." Nonetheless, Gabrielescu believes the Hungarians should not found parties of their own but should join the Peasants' Party instead. "They can fulfill their interests with us." "However, when we achieve the absolute majority, then the Hungarian parties will be in the opposition and will have no influence whatsoever." Gabrielescu cannot and does

not want to envision the parties of the Hungarian minorities—which number around two million at any rate (that is equivalent to roughly 10 percent of the population)—deciding who forms the government as the holder of the balance of power.

He is a little more concerned about the "territorial integrity of the country." "Romania is divided like Germany," Gabrielescu thinks, alluding to Bessarabia with its majority of Romanians which has belonged to the Soviet Union since World War II. However, the problem should not be solved by war, naturally; but rather within the structure of the common European establishment just like the German question."

In Romania, the old parties that already existed prior to the Communist takeover of power appear to have the better outlook as opposed to Hungary, where the new opposition parties are out in front. However, it is an undecided question which current will be stronger in society: a clearly Western oriented Social Democratic Party in which former Communist Party members who have not given up ideals such as social justice and socialization of large factories can assemble; or a direction favoring the rural population and nationally oriented groups. Only one thing is clear: the old Communist Party no longer exists de facto, and a new, strong party of the left is not on the horizon.

#### **Difficulties in Rebuilding Industry Examined**

90EB0241A Paris L'USINE NOUVELLE in French  
4 Jan 90 pp 24-25

[Article by Jacqueline Mattei: "A Country Whose Debts Have Been Paid Off, but One With a Crippled Industrial Plant; How Can Romanian Industry Be Rebuilt?"; first paragraph is L'USINE NOUVELLE introduction]

[Text] Renovating an obsolete production machinery: one of the challenges Romania of today faces, but the new leaders should draw on business firms and foreign know-how.

A population living in misery, prey to undernourishment and an energy crisis, an agriculture in disorder, an obsolete industrial machinery: 24 years of dictatorship have led Romania to disaster. How long will it take to rebuild this economy that has gone to rack and ruin? The EEC has just sent a mission of experts to Bucharest to make an initial appraisal. Jacques Delors is also supposed to go to Bucharest sometime this month, accompanied by a number of manufacturers.

Romania, rich in grains and energy raw materials, was certainly not at the outset the most disfavored nation in the East bloc. Launched on a classic Stalin-type industrialization program—priority assigned to heavy industries—it even seemed to be provided with a good infrastructure in the 1970's. These assets were squandered by Nicolae Ceausescu's obsession with getting the country out of debt to assure its independence. The priority assigned repayment of the foreign debt was realized in

the 1980's to the detriment of the population's standard of living, but also of modernization of the production machinery.

The priority met, in April 1989 Nicolae Ceausescu announced that Romania had liquidated all of its foreign debt, having repaid in 15 years nearly Fr130 billion, Fr40 billion of which was represented by interest. A spectacular success—it is the only East European country to have cleared itself of debt—for which the Romanians have paid dearly. The sums needed to repay the debt were generated at the cost of forced exports and drastic austerity inside the country. "In 1988 the amount of products, goods, and services per inhabitant consumed by the Romanian population was 40 percent less than the amount consumed in the late 1970's," one of the specialists on the Romanian economy, D.N. Nelson, notes. Since 1981, bread and the chief food products have been rationed; since 1984, this has also been the case with energy products (four hours of heat and two hours of hot water per day authorized, ban on vehicle traffic in winter).

Investment in production during the same period was tremendously deferred. Already insufficient from 1981 to 1986, expenditures during the past two years have further declined. Industrial equipment has not been modernized: New technologies are lacking and even spare parts are in short supply. "The production machinery is completely lacking in the ability to compete," Edith Lhomel, a contributor to the magazine *LE COURRIER DES PAYS DE L'EST*, noted.

Despite the fact that it is a priority item, energy sector equipment has been poorly maintained. The experts report the cessation of oil well or mine operations pending completion of repairs and a lack of modern equipment that would enable them to step up production rates. Also, between 1986 and 1988 oil production dropped from 10.1 to 9.4 million tons and gas production from 39 to 33 billion cubic meters.

The country's infrastructure has also been neglected, with the exception of a few major sumptuary projects (the Danube-Black Sea Canal, the new palace in Bucharest). The Ceausescu regime's somewhat ambitious industrial projects have been sharply curtailed. The start of operations at the Cernavoda nuclear power plant, which draws on Canadian technology, has been postponed until 1992. The Olcit automobile plant, the fruit of an agreement with Citroen, which was supposed to produce 150,000 cars a year for export to Western Europe, has never produced more than 20,000 cars a year.

Today, Edith Lhomel noted, "the industrial machinery is overly weighted in favor of the heavy industries (steel, capital goods), which consume enormous amounts of energy, and nonexistent as concerns the key consumer goods industries." Despite the obsolescence of its equipment, Romanian industry nonetheless retains a number of relatively strong points: steel (13 to 14 million tons a

year), rolling stock, helicopters, and oil well drilling equipment (in which it is one of the USSR's major suppliers). Steel and textiles have constituted its chief exports to the United States (until cancellation of the most-favored-nation agreement in 1984) and Western Europe.

Raw materials and agricultural resources are the two assets that Romania can rely on to rebuild its economy. Even though its agriculture suffers from a lack of productivity, the inadequacy of its fertilizer industry (3 million tons), and the disorganization produced by Ceausescu's "systematization" plan (elimination of 7,000 of its 13,000 villages and relocation of its rural population), it produces 20 million tons of corn and 32 million tons of [other] grains, which makes it the 10th-largest producer in the world, and has 7 million head of cattle and 19 million sheep.

Moreover, Romania still has "great potential" with regard to raw materials (oil, lignite, iron, bauxite), Edith Lhomel asserted. On the basis of these assets, it is possible for Romania to restore to industry a new ability to compete... with the aid of Western know-how.

The new government's immediate concern is to put an end to the food shortage. As of now, exports of food products are banned and displacement of the rural population has been stopped.

Industrial reconstruction will require more time. We do not yet know what priorities will be assigned by the team that has taken over. Will they continue to favor heavy industry or will they develop consumer goods? "With its basic resources, Romania can maintain heavy industry providing that it modernizes by importing equipment and new technologies," in Edith Lhomel's estimation. As for "light" industry, that is, basically electronics and consumer goods, with the exception of subcontracted activities, it cannot be rebuilt, it must be built.

In both cases development will come through drawing on foreign technologies. To procure them, to obtain loans from Western countries, Romania's best argument actually lies in the liquidation of its debts effected by the Ceausescu regime!

In Paris, in Bonn, in Bucharest, the mood is optimistic. "Holding these cards, refloating the Romanian economy is not a bet we've lost in advance," an observer from the banking world thought.

#### [Box, p 24]

#### Restrained Cooperation

French manufacturers are attentively following the evolution of the situation in Romania. Fairly active in the 1970's (licensing agreement with Aerospatiale for helicopters, aid from Thomson for television), technical cooperation between the two countries declined in the 1980's. Construction of the Olcit automobile plant (decided on in 1976, but built in 1984) cost Citroen Fr4



billion. The commercial agreement signed by Rhone-Poulenc in 1984 is a dead letter.

Nevertheless, Romania continues to be a bargain-price delocalization zone for textile (Dim), shoe (Andre), and furniture (Conforama) manufacturers. This kind of subcontracting contributes to the maintenance of a flow of trade between the two countries. Of the Fr2.8 billion worth of goods France imported from Romania in 1988,

consumer goods accounted for Fr1.1 billion (including Fr340 million for furniture and Fr320 million for textiles) and refined petroleum products largely accounted for the rest (Fr830 million).

As for exports (Fr700 million), they consisted of intermediate products (organic chemicals, rubber), capital goods (textile machines), and automobile parts.

## GERMAN DEMOCRATIC REPUBLIC

### Problems Cited in Shipbuilding Industry

90EG0116A Duesseldorf *HANDELSBLATT* in German  
4 Jan 90 p 14

[Article by Uwe Dettelsen: "Many Ships Rarely Go to Their Home Ports When Chasing After Foreign Currencies"]

[Text] As far as Dr. Karl-Heinz Conrad, general director of the GDR's only ocean shipping company, VEB Deutfracht [State Enterprise Deutfracht International Charter and Shipping]/Shipping Company (DSR) is concerned, consortia are the best form of cooperation. Such kinds of cooperative ventures should be expanded even more.

Since mid-1989 Deutfracht has been a partner with the German Near East Line, Swiss Contship, and the British Ellerman Line in regular line shipping from the European continent to the eastern Mediterranean. The DSR is using three of its own freighters with capacities for 420 20-foot containers. Because of time constraints the freighters do not call at GDR ports in the Baltic Sea; containers which are destined for the GDR are reloaded in the English port of Felixstowe. Their own ferries deliver or pick up the containers.

Overall the VEB Deutfracht/Shipping Company operates 20 kinds of container and general cargo services with destinations on almost all continents. There is full container service to the Far East/Asia, India/Pakistan, East Africa, the Red Sea, the Gulf of Arabia, and the Mediterranean.

The people in Rostock maintain semicontainer service to South America, Nicaragua, Central America, East Africa, Vietnam, India/Pakistan, China, West Africa, Egypt, Albania, Algeria, and the Red Sea.

### Shipping Conference Member

Almost all service overseas is operated cooperatively with partners, primarily with shipping companies from the USSR and Poland. In some trade areas the DSR is a member of the appropriate conference, but there is also nonconference service.

There has recently been an increase in cooperation with Western partners. Thus, since 1 January Deutfracht/Shipping Company has been a full member of the Red Sea Express Shipping Association. The container ship which it has placed in service on this route, the Red Sea Elbe (14,066 GRT [gross register tons]), is chartered from the Peter Doehle shipping company in Hamburg at a daily rate of \$15,250.

The political change in the GDR will presumably involve a further shift in shipping policy to the West, even if nothing specific has been reported thus far from Rostock. Of course, the necessity to modernize the fleet,

which at the beginning of 1989 consisted of 164 ocean vessels with 1.313 million GRT, is very great.

### GDR Merchant Fleet Needs Rejuvenation

Only 15 ships are modern full container ships, 119 freighters are conventional and are, moreover, relatively advanced in years and of an older type of construction. They are very crew-intensive which is still not a disadvantage in the GDR because of the low level of wages. In Western ports these ships, because of their outdated type of construction, cost more money in transshipping tasks than do modern ships with so-called open hatches. In addition, the engines are not designed to be economical insofar as fuel consumption.

Thus, in the future, the DSR intends to focus more and more on container ships which will not be substantially larger than the Vogtland type, no doubt because capacities of about 20,000 tons of cargo and 1,100 20-foot containers are adequate. Of course, no concrete steps toward modernization have as yet been taken.

In 1989 the VEB Deutfracht/Shipping Company took ownership of only one new ship, the 19,700 dwt [deadweight tons] container ship Walter Ulbricht. The GDR railroad placed the railroad ferry Sassnitz (20,726 GRT) into service, and a Soviet shipyard delivered two passenger ships for excursion cruises.

The shipyards are in fact working to such full capacity that GDR freighters most recently have frequently been calling at FRG shipyards to have normal repairs and engine overhauling done.

Extensive fleet modernization would make good sense for economic reasons. Building some new full container ships is absolutely essential if the DSR does not want to lose any international shipping market shares. Its own shipyard industry would, of course, be able to build modern ships even for the DSR, but it mainly makes deliveries headed for export to the USSR.

Current lists of orders show that there will be no change for the immediate future. To be sure, the DSR still operates special ships such as 20 bulk cargo freighters, four tankers, 10 refrigerated ships, six ro/ro freighters and two glue tankers, but these are used almost exclusively to meet its own transport needs. For all practical purposes the DSR is not active in international coastal shipping. Ferries provide the only regular scheduled service with England, Finland, and the USSR.

### No Figures on Utilization

For a long time Western experts have been racking their brains about the economic efficiency of the fleet; Rostock has never given any reliable figures about this. The fact that most freighters pass through the North Sea-Baltic Sea canal half empty and even with ballast does not mean anything, Hamburg, Rotterdam, and Antwerp are either coming up as attractive ports of lading or left behind as ports of delivery. To be sure, for a long time

not all GDR freighters which pass through the English Channel have not been completely unloaded.

Presumably employees of the VEB Deutfracht/Shipping Company in the Rostock ocean shipping domain are faced with a great deal of work because, based on the most recent political interpretation, the Shipping and Harbor Management Combine, which was established on 1 January 1974 and which is directly under the Ministry for Transportation, has to "pay its way." The combine now includes eight "economic units which are legally independent, undertake planning and account management," with 22,500 employees and 500 apprentices.

The flexibility of GDR shipping would surely be enhanced if the combine were dissolved; because the VEB ports of Rostock, Wismar, and Stralsund and Deutfracht's International Charterage, Berlin, the shipping agency, ship supply and the VEB dredging, towing and salvaging shipping company, which are still part of the combine, would each be a sizable enterprise. In addition, not only GDR cargo liners, but also those from other East Bloc and socialist countries are processed in Rostock. A pinch of market economy and competitive thinking would definitely get many a "socialist" blockage moving.

#### **Hamburg an Important Port for GDR Ships**

The DSR frequently completely owns the agencies which take care of GDR ships in important ports. These agencies not only acquire cargo for the DSR cargo liners, they also take care of all formalities for the ships and their crews.

Hamburg is important as an import and export port for the GDR because the latter's own ports are often overburdened from inadequate transshipping facilities. GDR cargo which is unloaded in Hamburg is transported by rail and inland shipping to GDR destinations. In mid-December even the GDR freighter Edgar Andre (7,704 GRT) was rerouted to Hamburg with a cargo of steel which was taken on in the Soviet Baltic Sea port of Klaipeda because the ocean port at Rostock, which was not inaugurated until 1957, was once again overloaded. Even the port of Luebeck profits from this situation and processed several thousand tons of steel for the GDR.

The objective of the shipping company which was established on 1 July 1952, in keeping with the party mandate still in effect, is to handle "oceangoing foreign trade requirements." Of course, of the 13.7 million tons which were transported by DSR freighters in 1988, almost half involving 6.4 million tons were transported in third-country traffic. In a communication from the Rostock shipping company at the beginning of 1987—more recent figures have not been available for a long time—it was reported that "it was possible to raise the level of handling foreign trade transport requirements from 47.86 percent in 1981 to 60.78 percent in 1986."

#### **Photo Caption**

The ro/ro freighter Auersberg (4,962 GRT) was built in Wismar at the Mathias-Thesen Shipyard in 1983 and is in regular scheduled service for the VEB Deutfracht/Shipping Company from Rostock to Hull on the English east coast. Large ships are also being built at the Warnow Shipyard in Warnemuende, the Neptune Shipyard in Rostock and the Stralsund Shipyard.

### **HUNGARY**

#### **New Agency To Coordinate Foreign Credits, Support, Aid**

25000608A Budapest FIGYELO in Hungarian  
4 Jan 90 p 4

[Interview with Deputy Minister Szabolcs Fazekas, head of the newly established interagency committee called "Secretariat on International Relations," by Robert Betsy: "Foreign Aid: What Is It Spent On?"; date and place not given; first paragraph is FIGYELO introduction]

[Text] Hardly a day passes when one does not learn about one or another loan, developmental support, or aid being offered to Hungary by some other country. It is hard to follow whether these promises are part of the joint action initiated by the 24 OECD countries, and within that by the European Community. At issue is support, or more accurately promises of support of a very diverse character, after all there is a difference between project specific support, merchandise credit, and bank loans that may be used freely. Not too long ago the Council of Ministers decided to establish an interagency committee to coordinate the Hungarian aspects of this work. Our reporter asked the head of the committee, Deputy Minister Szabolcs Fazekas, the head of the Secretariat on International Relations, about the functional scope of the new body.

[FIGYELO] It seems that a "fox caught the fish, fish caught the fox" situation has evolved. Countries willing to help Hungary expect to see specific programs, while Hungary has difficulty presenting such programs without knowing the amount of aid that may be expected.

[Fazekas] Many kinds of assistance are being offered by the West. By doing away with quantitative restrictions, and by reducing customs duties and the volume of skimming relative to agricultural products, pursuant to a decision reached last December, beginning on 1 January 1990 the European Community reduced our annual customs related expenditures by at least \$60 to \$80 million. Not to mention the indirect effects which improve the structure. I do not believe that anyone would have thought in mid-1989 of dismantling of trade and trade policy barriers at this speed. They were scheduled to be dismantled by 1995. Therefore your quotation from the folklore concerning the fox and the fish is hardly appropriate.

As far as our needs are concerned, the Hungarian government forwarded an 80-page memorandum to the 24 OECD countries. In that memorandum it described in rather specific terms the fields and forms of assistance Hungary counts on receiving from the Western world. The individual countries use this memorandum as their basis to assess how much they can contribute and for what purpose. And in this respect it is true that we do not know, for example, whether the amounts offered by the Americans, the Japanese, etc. are part of the offer made by the 24 OECD countries, or if these amounts are over and above the OECD funds. The late December 1989 session held in Brussels concluded the reconciliation period. They established a 23-member team to determine the size of the amounts, the form of aid, and the purposes for which aid is to be provided. Correspondingly, we established an interagency committee in Hungary.

[FIGYELO] Isn't the new interagency committee just another institution that distributes money?

[Fazekas] Representatives of 12 institutions, ministries involved in relations established with developed countries, participate in the committee. It has a dual role: On the one hand it cooperates with the 23-member EC team and maintains a record of the credits and assistance offered. On the other hand the committee charts the Hungarian priorities and development concepts for which the Western world is willing to sacrifice money on a bilateral or multilateral basis. Viewpoints differ with regard to the latter; some countries prefer to provide assistance on a bilateral basis, while others are willing to do so on a multilateral basis.

Accordingly, the idea that the committee would assume the functions of others and would play some kind of disbursement role is out of the question. This is what the committee can do: try to coordinate the related work of the various ministries, and to cooperate with the 24 countries.

[FIGYELO] And how will this committee function?

[Fazekas] As I mentioned before, there are a number of unanswered questions concerning the character of the possible funds, i.e. one cannot tell what they are providing in the form of aid, credit, or on a project specific basis, and how much money will come in the form of loans that may be used freely. Moreover, quite often one cannot tell how the offered amounts will be divided between Hungary and Poland. On the other hand, it appears certain that in three areas: education, environmental protection, and incentives to entrepreneurship, we may count not only on aid, but also on support. For example, the EC has an established organization for this purpose and has offered \$300 million. At the same time, education, environmental protection, and entrepreneurship do not involve ministries, but function in various fields of the economy. We feel that we will establish subcommittees because of these multiple linkages, and

the educational matters will be coordinated by the Ministry of Education. And here we are dealing not only with student and teacher exchange, but with the entire program, including professional and managerial training, both in Hungary and abroad. Similarly, environmental protection is not the Environmental Protection Ministry's function alone; environmental harm also occurs in industry and in agriculture. The reach of the system of relationships beyond the ministries applies even more so to entrepreneurship. Actually, cooperation in the food economy is a fourth area in which the functions of the Ministry of Agriculture and Food are quite distinct.

[FIGYELO] We have used up nice amounts of Western money before—not for economic development purposes. What will cause your committee to function more efficiently than previous organizations of a similar character?

[Fazekas] As I mentioned before, it is not the task of the interagency committee to prioritize the developmental purposes and to select the most favorable ones. The Western world is willing to provide credits if we are able to present them with appropriate, from their standpoint acceptable projects. Such projects must not be, and cannot be, invented in ministries and offices. Our task is to gather proposals that make sense, irrespective of whether the money is needed for changing socialist export capacities to serve the Western market, for new ventures, for the background industry, or for developing the training system. We forward these proposals to Brussels where they compare them with purposes established in individual countries. Incidentally, thus far there has been no such organization within the EC; it has just now been established with the 23-member team. It is also true that not much of the promised money has been received. Accordingly, the interagency committee will coordinate these tasks at the governmental level, and will maintain liaison with the EC's organization. It must rely on the ministries and on interest groups in the course of its work, of course.

[FIGYELO] But committees like this have functioned in this way before, and have become quite far removed from business life.

[Fazekas] It is not our job to strike business deals. We must establish conditions for striking such deals. In other words, we are trying to establish favorable conditions for the receipt of support offered by the 24 countries. Accordingly, if, for example, we receive a certain amount of credit, lending is the task of banks. Banks will see to it by using the means available to banks, and on the basis of banking criteria, that those presenting the most favorable offers receive the loans. Or, if we establish a fund for entrepreneurship, those funds will be distributed among the applicants based on competition. There are many conceivable forms. The essence is not to tie the hands of foreign creditors and Hungarian users in a bureaucratic way.

**Scope, Legislative Control of Spontaneous Privatization Discussed***25000608E Budapest HETI VILAGGAZDASAG in Hungarian 20 Jan 90 p 15*

[Interview with Deputy Finance Minister Zsigmond Jarai, by Gyorgyi Kocsis: "Everything's for Sale?"; date and place not given]

[Text] The designation "State Trust Fund" has been changed to what may sound better to some ears: "National Property Agency," in the final version of the legislative proposal designed to create that institution, to be debated by Parliament on 23 January. The proposal provides some fixed points with regard to the method of transferring state property to private hands, but it fails to address the issue of what may become the subject of privatization. We questioned Deputy Finance Minister Zsigmond Jarai concerning this matter.

[HVG] Having heard of and seen many business deals and various manifestations, one slowly gets the impression that in Hungary privatization is considered to be synonymous with the attraction of foreign capital. Except for a few presidents, no one is offering an ownership opportunity to the Hungarian public. But the Radius Hungaricus case of dubious repute demonstrates that it is possible to produce more than 100 million forints from private savings....

[Jarai] It is well known that in the spontaneous privatization process thus far enterprise managers have initiated the sale of enterprises, and that in light of hoped-for Mercedes cars, higher salaries, and other matters, their hearts have understandably turned toward Western investors. Since thus far the state has been a passive observer of all this, devoid of any strategy, this supply perfectly matches Western investor interests in Hungary. The way I see it, the impulses emanate from foreign investment organizing firms, and with little exaggeration we could say that enterprises are striking deals with whoever falls in through the door. This is true, even though the latent domestic demand could be encouraged by way of stock purchase loans provided at favorable terms. A few tens of billions of forints would suffice.

[HVG] According to the legislative intent supportive of the proposal, the most important document to define the operational framework of the National Property Agency would be property policy guidelines subject to annual approvals by Parliament. Thus far, however, not one single sentence of this document has appeared. Why the delay?

[Jarai] Decisions are being reached this slowly because various political forces have not found a common denominator with regard to privatization. There are some who feel that faster progress and a more courageous attraction of foreign capital would be desirable, while others counsel a more cautious speed in both respects. Unfortunately, while debate goes on, the fields in which we could safely discuss privatization get lost.

For example, at this point we could make provisions to the effect that local councils, within a certain period of time, should sell on the basis of a prescribed technique a series of commercial and service enterprise units. The fact that, let's say, barber shops, tobacco shops, and KOZERT stores should be privatized is hardly a subject of debate by now; this should have been accomplished a long time ago.

[HVG] Even if within limits, the present legislative proposals permit spontaneous privatization, while preserving the state's right to exercise its veto power. To accomplish such spontaneous privatization, however, some guidelines are needed, for example, by circumscribing fields in which privatization is not desirable today, or places in which a foreigner can acquire only a restricted share. Having observed the outstanding attention paid by foreign capital to mass communications and the banking system, for example, this may not even be such an abstract problem....

[Jarai] Underscoring the fact that in my view the government should state its position with regard to fields which should be privatized instantly, in my view the areas in which no privatization, or only restricted privatization, should take place would include part of the infrastructure, public works—although these are the institutions sold in England just now—hospitals, schools, oil and gas exploration, part of the press, and the banking system, to a certain extent. Within the latter I would find it useful to preserve state influence for the time being in the three to five banks which control the flow of most of the enterprise money, but even in the long term I would permit only a relatively small foreign share in these banks. Under no circumstances would I place obstacles in the path of foreign capital flowing to banking services provided to individuals, and to investment banks which are separate from credit banks, as long as such capital invigorates competition. We could designate the final goal this way: In Hungary private persons—or local councils—should own the banks, thereby putting an end to the odd situation in which the stockholders of banks are the same persons with whom they enjoy the closest creditor relationship.

**Medicor Closes Plant; Declining Socialist Exports Blamed***25000608G Budapest NEPSZAVA in Hungarian 16 Jan 90 p 4*

[MTI report: "Medicor Bids Farewell to Nameny"]

[Text] A stormy meeting of workers was held at the Medicor X-Ray Stock Corporation Vasarosnemeny plant. Chairman and President Gabor Mikes announced that the plant will be able to employ the workers only until the end of February, and that they will be without work thereafter.

Medicor was forced to close down one of its plants because of its deteriorating market position and because of reduced eastern export opportunities. The choice was

made to close down the Vasarosnameny plant which is quite a distance from Medicor headquarters. The decision was announced to the workers last July. At that time a promise was made to the effect that Medicor would try to sell the plant. These efforts have not been successful thus far; they had commissioned a West German agent to sell the plant. West European and Hungarian firms which announced interest retracted later. They cancelled the deals because of the great distance and the incomplete infrastructure.

Medicor is retreating because of lack of capital and on the basis of efficiency considerations. They are unable to convey signatory rights to permit independent employment because of legal provisions now in force. Nevertheless, Medicor would approve any proposed contract which would continue the employment of the people of Vasarosnameny. The workers expressed doubt after hearing the answers because they, together with persons receiving child care benefits and fees and those on military duty—320 altogether—will become unemployed on 1 March.

#### **Rupert Murdoch To Buy Mai Nap Publishing**

25000608F Budapest NEPSZABADSAG in Hungarian  
20 Jan 90 p 5

[Text] This afternoon Mai Nap Publishing, Incorporated and New Corporation, Limited, i.e. Rupert Murdoch, will get married. They are signing an agreement by which the press caesar will buy 50 percent of the stock of Mai Nap Publishing, Incorporated. We asked editor in chief Istvan Horvath to provide us with a brief report on the event.

[Horvath] Nothing will change insofar as the newspaper's profile and professional management are concerned. The condition that serves as the basis of the agreement is that our partners must not interfere in our internal affairs. There will be no reductions in force; no one will be dismissed. I would much rather underscore the professional advantages, however. We want to become part of the Murdoch empire's news network; we are also planning a journalist exchange program, and, on the basis of jointly developed ideas, we would like to develop our advertising and marketing activities.

#### **Housing Fund Functions Described**

25000608B Budapest FIGYELO in Hungarian  
4 Jan 90 p 15

[Interview with Housing Fund director Imre Szarka, by Maria Ilonka: "The Largest State Fund"; date and place not given; first paragraph is FIGYELO introduction]

[Text] Previously, the National Savings Bank [OTP] and savings associations, as specialized financial institutions, provided housing credits to individuals. The establishment of a bi-level banking system and the integration of the banking system made it necessary to establish an institution capable of administering interest payment subsidies provided by the budget, and channeled through the above-mentioned financial institutions, in a manner

consistent with the marketplace. This institution is the Housing Fund, a decentralized state fund. It has been collecting and allocating interest payment subsidies on residential mortgages ever since early 1989. At the same time, the institution obtains funding for the financing of residential mortgages. We conversed about the organization's functions with its director Imre Szarka.

[Szarka] The expenditures of the Housing Fund include interest paid on bonds issued by the Housing Fund. Between 41 and 42 million forints were planned for this purpose in the starting year. In addition, financial institutions account for state allowances provided for installment payments made prior to their deadlines through the Housing Fund. We have 2 billion forints to cover these.

Our scheduled expenditures include budgetary obligations carried over from an earlier period, because in 1988 the budget remained indebted to the OTP with 12 billion forints in interest payment subsidies.

[FIGYELO] How was the populace affected by these organizational changes?

[Szarka] This had no impact whatsoever on individuals, because they continue to make payments on loans to the OTP or to savings associations, despite the fact that beginning on 1 January these loans will be part of the Housing Fund financial statement. We developed an agency relationship with the financial institutions that provided the credit before. In this situation they continue to collect on residential mortgage loans, but the Housing Fund is entitled to the proceeds. We pay one percent of the annually collected funds for the work involved in collecting. In exchange for the credits, the Housing Fund transferred the bonds issued by the Housing Fund to the financial institutions.

[FIGYELO] How many kinds of bonds did you issue?

[Szarka] Two kinds. One is the Housing Fund bond whose interest rate is determined jointly by the chairman of the central bank and the finance minister. Although the 1989 interest on these bonds did not reach the level of interest rates paid by banks, it did exceed the increase in consumer price levels. The face value of this issue is 274.762 billion forints.

In the course of people's economy planning we estimated that inflation would increase at a rate of 15 percent. A deposit interest of a similar percentage would be required in order to preserve the real value. In addition, the banks must also recover their expenses. For this reason the interest on Housing Fund bonds exceeds the average expense incurred by credit sources by two percentage points.

[FIGYELO] Thus far we discussed one kind of bond. What purpose does the other kind serve?

[Szarka] The other bond is the Housing Fund funding bond, which for practical purposes partly covers the 1989 interest paid on Housing Fund bonds. The total face value of this issue is 15.2 billion forints. Financial institutions which

spent half of their risk reserve funds for this purpose purchase these bonds. In addition, the Social Security Fund purchases bonds from its surplus revenues.

[FIGYELO] Recently, a majority of the banks acquired the authority to administer accounts opened by individual members of the populace. Could this bear an influence on the scope of the clientele related to Housing Fund bonds?

[Szarka] Since Housing Fund bonds are the source of residential loans, there is a way to make the movement of bonds follow the movement of individual savings. This is accomplished with the assistance of the central bank.

[FIGYELO] In your view, did you succeed in fully accomplishing the goals for which the Housing Fund was established?

[Szarka] Experience thus far shows that it was necessary to establish the Housing Fund. In this way we succeeded in eliminating factors that hindered the functioning of a unified money market: the determinations to make individual deposits and to use credit.

Distribution of interest payment subsidies on residential loans is accomplished in a way that is consistent with the market as a result of the interest paid on Housing Fund bonds. The Housing Fund relieves the central budget with this function.

In addition, the Housing Fund bond restricts competition among banks with regard to the interest they pay on deposits, because the interest paid on bonds must cover the interest paid after credit resources.

The quick and justified return to financial institutions of resources created by installment payments on loans continues to remain an important part of our activities.

**Housing Fund Revenues and Expenditures in Billions of Forints**

Starting Condition				Anticipated Condition			
Revenues		Expenditures		Revenues		Expenditures	
Budgetary support	43	Interest on bonds	43	Budgetary support	25.6	Interest on bonds	40
Source tax	6	Allowance	2	Source tax	8	Allowance	2
Credit	6	Carryover interest subsidies	12	Credit (issuance of bonds)	19.4	Carryover interest subsidies	11

## POLAND

### National Economic Chamber: Chronology, Goals Reviewed

90EP0289D Warsaw RZECZPOSPOLITA in Polish  
4 Dec 89 pp 1, 3

[Article by (mk): "First Come, First Served"]

[Text] That it does not help to plan was learned by those attending the founding General Assembly of the National Economic Chamber, which was held on 29 December. Scarcely had the first speech been delivered, the chairman of the assembly elected, and the agenda read, when Andrzej Erecinski from the Gdansk Economic Chamber asked for the floor. His brief announcement stunned everyone. A competing initiative group had already met on 16 December, prepared a statute, elected a temporary board of officers, and applied to the court for registration of a National Economic Chamber.

The 30 May law on economic chambers provides for the formation of a National Economic Chamber. It is to fulfill functions similar to those fulfilled by economic chambers in other countries. The tasks described in the statutes of both initiative groups are for the most part the same. The legislative provision regarding the assumption by the National Economic Chamber of all matters, obligations and assets of the Polish Chamber of Foreign Trade (with the exception of the Poznan and Patpol International

Fairs), is enticing. But let us not conjecture. The facts are as follows: Since mid-November, the initiative group worked on the formation of a National Economic Chamber. The press and all interested parties were informed and two consultative meetings were organized. Three participants of these meetings (Polish Economic Chamber of Private Industry and Trade, Wielkopolska Economic Chamber, and Peasant Self-Help Agricultural Economic Chamber) and the Junior Chamber, met and decided to register. Despite the surprise, the participants of the first initiative group decided to prepare a statute, elect officers, and also apply to the court for registration. Both temporary chairmen informed our newspaper that their chambers are open organizations and they want to cooperate with their partner (opponent?).

Andrzej Arendarski was elected president of the 18 December Economic Chamber, and Stanislaw Kruszniewski was elected president of the 20 December chamber.

### Lodz Opens Foreign Investment Office

90EP0289C Warsaw RZECZPOSPOLITA in Polish  
21 Dec 89 p 3

[Article by (mars): "Capital Under Control"]

[Text] The mayor of Lodz has established an Office for the Promotion of Foreign Investments, whose basic task is to concern itself with the promotion of foreign capital in Lodz Voivodship. In this case it was also a matter of the city authorities having full knowledge of the number

of foreign-capital companies functioning in the voivodship. As we know, decisions in these matters are made by the Agency for Foreign Investments. The agency does not have representatives in this region.

Concentration of these matters in one organization will also make it easier to submit offers to potential foreign customers who want to invest in the voivodship.

### **Terms of Helicopter Exports to USSR Clarified**

90EP0289B Warsaw RZECZPOSPOLITA in Polish  
9-10 Dec 89 p 3

[Article by T.B.: "Nothing Sensational About Export of Helicopters"]

[Text] At the last meeting of the Sejm Commission on Foreign Economic Relations, deputy Edmund Krawowski (Citizens Parliamentary Club), turned to the Ministry of Foreign Economic Cooperation with a question on the subject of the alleged losses suffered in the export of helicopters to the USSR. He suggested that the price obtained for these helicopters is lower than the cost of importing the materials used in producing them.

Without waiting for the ministry's explanation, a RZECZPOSPOLITA journalist went to the Pezetel Foreign Trade Enterprise in this matter. It appears from the information obtained from the managing director of this firm, Jerzy Krezlewicz, that the entire matter is based on a misunderstanding.

In 1988 Pezetel indeed did sign a contract for the sale of five Sokol helicopters to the USSR. But these were machines that were sent there for engineering tests in order to obtain certification. (Certificates issued by the aviation authorities in the USSR are also honored in many other countries.) The price of these helicopters was fixed in the contract as "tentative" and will be renegotiated after obtainment of the certificate, which, in any case, is required for normal export.

Therefore, there is nothing sensational in the export of these helicopters. This is simply a normal procedure required in foreign trade.

### **Nonpayment Cuts Down on Food Exports to USSR; Other Markets Sought**

90EP0296A Warsaw PRZEGLAD TYGODNIOWY in Polish No 1, 7 Jan 90 p 5

[Interview with Ludwik Olejarz, executive director, Hortex Foreign Trade Enterprise, by Andrzej Rutkowski: "No Way Out"; date and place not given]

[Text] [PRZEGLAD TYGODNIOWY] The Radom Telephone Plant has suspended its shipments of telephones to the Soviet Union and is accepting the attendant costs. But until quite recently telephones were a so-called Polish export specialty. And now you are saying that exports of apples, a staple commodity in food trade with our eastern neighbor, also have been halted.

[Olejarz] Other [enterprises] already are planning to do the same, believe me. The principal cause is the growing unprofitability of exports to the USSR. The bilateral talks on price changes produced no results. The Russians insist on following the CEMA procedure, which, let us say it openly, is advantageous to them. In practice it reduces to the application of the unrealistic and excessively high exchange rate of the ruble versus the dollar, amounting to 70 kopecks. Its application solely for reasons of prestige, whereas in reality the Soviet currency is weakening and inflation in the USSR is growing, increasingly makes no sense and is causing losses instead of profits.

[PRZEGLAD TYGODNIOWY] Last month the USSR State Bank [Gosbank] introduced a new exchange rate of 6.22 rubles per US\$1.00. In other words, one ruble is now worth 16 cents. Would this rate of exchange be satisfactory to you?

[Olejarz] Of course, exports would then be much more worthwhile, and much higher hard-currency prices could be attained. Unfortunately, the new exchange rate applies only to noncommercial transactions, to the sale of convertible currencies to Soviet citizens traveling abroad. [as published]

It is also according to this new rate of exchange that [Soviet] state and cooperative enterprises must defray the expenses of foreign delegations. I hope that in the not distant future it will affect commercial transactions, all the more considering that the actual discrepancy between the official exchange rate of the ruble and the relations on the Soviet market is much higher and for some goods it even amounts to a ratio of 1:10. For example, an Atari computer costing US\$700 is sold for 30,000-40,000 rubles.

[PRZEGLAD TYGODNIOWY] But let us go back to our apples. What price did the Russians offer?

[Olejarz] Nearly 35 kopecks per kilogram, that is less than half of what we had asked. Let me add that the price of 750 rubles per ton had been bordering on unprofitability even before the ruble-to-dollar rate of exchange was revised. The Soviet proposal was also rejected by the Ministry for Foreign Economic Cooperation, which refused to grant an export subsidy. I can understand the reason, since the price offered by the Russians was such that earning one ruble would cost roughly 3,000 zlotys. Hence, the most reasonable solution for trade in goods requiring substantial export subsidies would be transition to direct transactions in convertible foreign exchange.

[PRZEGLAD TYGODNIOWY] Who will eat these apples now that the Russians, for years our principal partner, will not eat them?

[Olejarz] We do not have our backs to the wall and we do not have to sell the apples immediately and at any price. The program for building refrigerated warehouses and food-freezing plants being implemented by Hortex and



other firms makes possible the prolonged storage and processing of substantial quantities of fruits and vegetables. Several score additional facilities located directly in the crop-growing regions are under construction. We shall also invest in drying plants and lines for the production of concentrates, since the cost of such projects is recouped quite rapidly, the more so considering that at present, we are losing several hundred dollars for each metric ton of fruits and vegetables which we could have first processed before selling.

[PRZEGLAD TYGODNIOWY] The price problem is only one side of the coin. The exporters of fruits and vegetables, as well as of other crops, are complaining that Soviet Union is practicing "non-European" terms for the acceptance of goods. Has Hortex too accepted this arrangement?

[Olejarz] This issue is at least a quarter-century old, and no doubt it is our fault that we were unable to resolve it in accordance with international norms. Throughout the world, goods are accepted at the producer's or at the frontier. In this country, shipments of goods to the West are accepted on behalf of Western customers by the Polish Central Inspectorate for Standardization.

In the case of shipments to the USSR their final quantitative and qualitative acceptance is handled by the USSR Chamber of Industry and Commerce at the destination site and without our participation. Thus, e.g., if a plane carrying strawberries or cherries is kept waiting many hours in hot weather at a Soviet airport before it is finally unloaded, the cost of spoilage must be borne by the Polish supplier. Years ago, when we had no refrigerated warehouses and processing facilities, we had been compelled by the situation to accept this arrangement. We could either dump the fruits or sell them on the Soviet terms.

[PRZEGLAD TYGODNIOWY] In Moscow, because that is where fresh fruits are chiefly shipped by air freight, members of the Polish mission can intervene in such cases or at least verify the actual situation. But what happens if some USSR Chamber of Industry and Commerce expert elsewhere in the Soviet Union finds that an entire or almost entire shipment of fruits is spoiled?

[Olejarz] First of all, that is something we find out about only much later, because delays of several months in the preparation of quantity and quality certifications by that Chamber are common. Thus, irrespective of the fact that we have anyway to accept these certifications at face value—because how can we verify after half a year whether the strawberries did or did not merit a lower grading?—we have to credit our customers for these losses, since a certification attesting spoilage means that we will not be paid for the shipment.

[PRZEGLAD TYGODNIOWY] Now that the state has discontinued subsidies, you won't make much money from such business. What is [Hortex, now] an independent firm based on cost-effective accounting, doing to alter such a disadvantageous arrangement?

[Olejarz] Life itself has brutally corrected many Polish-Soviet long-term agreements, demonstrating the absurdity of signing agreements for long periods of time. The best example may be the intergovernmental "Agreement of the Century," concluded in 1986, which presupposes the doubling of the shipments of Polish fruits and vegetables in natural and processed form by the year 2000. Already in the following year, "the Agreement of the Century" was superseded by "the Freeze of the Century." One-half of the fruit and vegetable crop froze on the branch and on the stalk and all the calculations were upset. This agreement is not being and will not be implemented; it is a list of pious wishes. It has been causing much trouble to us and to other Polish agricultural trade entities. Under our pressure, as well as owing to the huge potato shortfall on the Soviet market, Soviet customers agreed last year to perform acceptance of shipments directly at Polish plants. And just the other day, owing to, among other things, the suspension of apple shipments, they agreed to handle that acceptance in accordance with international norms.

For some time now, exploring ways of making exports to the USSR more effective, we have been trying to switch from clearinghouse transactions to barter ones. But here too we are encountering problems, because the Soviet Union has drastically curtailed the list of goods available for barter transactions.

[PRZEGLAD TYGODNIOWY] Do you have to obstinately stick to the Soviet market? The new firms being established in your subsector, and by now numbering 50, are chiefly doing business with the West.

[Olejarz] We shall ship more than 50,000 metric tons of frozen foods to EEC countries, and we could ship at least twice or thrice that much. But the problem lies in getting hold of attractive and quality packagings, which we must import. This pays, despite the substantial cost. For example, last year we began to export cakes to England and beans to France, while our onions have invaded the hermetic Greek market. Apple juice in "Combibloc" packagings sells well in African countries. In the United States our jams are quite popular, ranking next to ham among the goods we sell there. The jams are Polish and so are the jars, but the labels were designed by American artists and properly printed in that country, with the inscription "Product of Poland."

[PRZEGLAD TYGODNIOWY] All this sounds just great. So why is your situation that bad? And don't you fear the nascent competition?

[Olejarz] Much is being said about equal treatment of state and private sectors, but for the time being it is more words than deeds. The government's Agency for Foreign Investments, instead of taking measure to genuinely promote production and investments in Poland by foreign capital, is liberally issuing permits which serve to cover up the practice of middlemanship. In return for a payment of US\$50,000, which in international trade is ridiculously low, foreign capital is being showered with

all kinds of exemptions and benefits, and has to sell only 15 percent of their foreign-exchange revenues to the state bank, whereas Hortex and other state enterprises are obligated to sell to the state bank as much as 80 percent of their foreign-exchange revenues, and at the official exchange rate at that. The fact that such joint ventures with the participation of foreign capital have the right to retain as much as 85 percent of their foreign-exchange revenues relieves them of the worry about the cost of raw materials and labor; they can always afford to cut their prices and win the market competition.

[PRZEGLAD TYGODNIOWY] The decree abolishing the export exemptions available to foreign enterprises may make competition easier for you.

[Olejarz] Perhaps. But the agency is rolling out, with a pertinacity deserving a better cause, increasingly heavier guns against that decree. Its representatives often claim that Walesa's efforts to promote foreign investment in Poland will be nullified, frighten us with loss of credibility in the eyes of the West, and threaten the collapse of the process of privatization as well as the escape of foreign capital. In their own way they are right. The firms which made a living chiefly by acting as middlemen already have made a big profit and now will most likely fold up. But as for us at Hortex there is no way out for us.

### **Fear of Nomenklatura Co-opting Privatization Efforts Seen**

90EP0298A Copenhagen BERLINGSKE TIDENDE in Danish 8 Dec 89 p 8

[Article by Jan Winiecki, an economics professor at the Catholic University of Lublin: "When the Bureaucrats Privatize..."; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Reforms in the East. Privatization in Eastern Europe has created new opportunities for enterprising members of the political elite. Now it is a matter of draining state-owned firms of their value—before the new owners come on board.

Privatization or, at the very least, "the act of de-state-izing" (which can mean anything save the sale of state-owned firms to private individuals) is the order of the day in Eastern Europe. In Hungary and Poland serious thought is being given to privatization. It is being discussed in the Soviet Union even if it is occurring in a random manner. In this country the official preference is for "collective leasing" of those firms which do not have anything to do with agriculture—this despite the poorly defined ownership concept involved in this arrangement.

Genuine privatization—or semiprivatization in the form of self-autonomy or conversion of state-owned firms into cooperatives—means a decisive change: It means doing away with the parasitic relationship between the nomenklatura, the leading political stratum, and the economic system which has existed thus far. Even if the various

proposed changes are modest ones, they, nevertheless, will produce a shift in power: From party apparatus managers controlled by the nomenklatura to new (individual or collective) owners.

With this future prospect in mind, members of the ruling class have begun to investigate new opportunities for getting rich; the traditional monopoly on the highly paid managerial positions, with its concomitant flood of goods and services from state-owned businesses, is closed to them. These current maneuvers can in fact be viewed as an example of the nomenklatura's "trend towards diversification," i.e., its constant search for new ways of getting rich. In the eighties this trend has acquired momentum, as can be seen from the "reforms" in the economies of Eastern Europe.

During this decade, the somewhat greater elbow room for private firms in Hungary and Poland also became a golden opportunity for enterprising members of the nomenklatura. For example, a Hungarian colleague told of a private cleaning firm whose principal source of income was industrial cleaning and whose general director was the father of the owner of the private firm.

### **New Opportunities for Initiative**

This is now an atypical case. In the last analysis, if there were to be another person in the position of general director, the enterprising son would have to offer his services in open competition with others. It is more typical for new private firms with links to the nomenklatura not to compete on the basis of lower costs or new products; they compete with the help of materials they can obtain from state-owned firms.

What is in fact occurring is that new forms of parasitism are showing up, in which "reforms" of economies of the Soviet type are creating new opportunities. The existence of a private economic sector is not a necessary prerequisite. The Soviet Union is now frequently encountering the same phenomenon in connection with cooperatives. At the same time regular cooperatives fight to survive and grow in unfriendly circumstances, other cooperatives resembling the already described private firms have sprung up.

They are run by former managers of state-owned companies or by officials who use their connections with state-owned businesses to acquire scarce materials for the cooperatives. Here as well prices are much higher than in the state-owned businesses, and the products of these cooperatives are usually of lower quality, but they exist—and this has an impact on the Soviet market.

This form of parasitism is also possible without a change of the existing structure of ownership. Within the framework of the superficial reforms in Bulgaria, it is possible, with the help of state-owned firms, to indulge in even more flagrant tricks. The managers of these firms, once influential bureaucrats, report high production figures and rises in production and receive big premiums as a

reward. Their business quickly limits itself to discovering new supplies of sought after materials at the state-owned firms; more often than not, these materials are not processed but are sent on to other state-owned firms. Since the business records do not describe the increase in value, these firms' production and productivity are high—and these are important indicators in a traditional planned economy by which to judge the performance of these “innovative companies.”

### Recipe for Wealth

Before Mazowiecki became Poland's prime minister, a rapid growth in this group of parasites could be detected. Among members of the *nomenklatura*, it became fashionable to set up businesses which lived directly off of state-owned firms. The recipe for such a firm is simple. There is no need to worry about setting up a plant, something which would require a certain amount of capital to purchase machinery and constant commitment. The new firms need only the smallest amount of capital needed to be registered (approximately \$100 in terms of the official rate of exchange). The partners are first and foremost managers who run state-run firms and utilize their resources—manpower and materiel—to transact their frequently simple business, in which they act as middlemen. Other partners are party bureaucrats and influential officials, relatives, and friends.

The firm employs one or two people, usually a bookkeeper and a secretary. The managers of the state-owned firm then give simple orders for services to a firm which largely belongs to them. The firm then passes these orders along—to the employees of the same state-owned firm. For example, one such firm, which operated in the port of Gdansk, was given the job of painting six cranes for the sum of 21 million zloty. The work was done with workers, tools, and paint from the port, and done partly during normal working hours. The workers received nine million zloty while the firm pocketed 12 million for having done little else but draw up the payroll.

One might wonder why no one protested this unjustified price increase. However, state property is nobody's property. No one worries about cost-cutting. The managers of state-owned businesses, who theoretically look after the state's interests, are generally the major partners in the firms just described and for that reason they are interested in milking the state-owned businesses for all they are worth. Naturally there are “Solidarnosc” workers' councils which protest every now and then. Individuals also do so. But until just very recently, they had no access to the relevant documents and had no influence.

In another case, there were several protests. This was the case of “Igloopol,” a complicated brokerage firm whose business manager—he is now the president of the company—was a vice minister in the agriculture ministry at the same time. Protests were made by a department head, a member of many years' standing of the Communist Party. He was immediately dismissed. When he

appealed to TRYBUNA LUDU, the Central Committee's newspaper, the editor in chief replied that at that moment it was impossible for the newspaper to investigate the matter. This was hardly surprising, since one of the “Igloopol” owners held an important position in the Central Committee's economic department. The Polish opposition papers now frequently write about “Igloopolate.”

The stream of business manipulations became a flood when the Rakowski government (which in economic terms was the most incompetent since the Communists took over in 1945) introduced new laws pertaining to “experiments” with the economy. As of the end of 1988, practically every brokerage firm could operate as an “experiment.”

### Leasing Without Collateral

The most popular device was leasing—of the individual sort, not the collective sort of the Soviet Union. Former managers lease firms from the ruling authorities and obligate themselves to pay taxes and invest a certain amount of their posttax earnings (whether the earnings are large or small, whether they go up or go down, is irrelevant). What remains beyond that amount an individual manager can control himself. This arrangement has a piquant side to it. A lessee is universally expected to put up a certain amount of collateral. Even in Communist Poland, someone wanting to run a state-owned business on a lease basis had to put up collateral in the neighborhood of 25 percent or more of the value of the firm and the goods delivered by the state-owned wholesale company.

This is not the way it works when the *nomenklatura* is involved. For example, the lessee (the former general director) of the PTHW trucking firm in Katowice secured the company's future possible losses with all of his own assets. However the firm's assets were assessed at seven billion zloty, whereas the lessee's assets were only assessed at 10 million. Thus the security this member of the *nomenklatura* could offer represented 0.13 percent of the firm's assets.

In another case, the OMIG electronics firm, with 1,800 employees, was leased by its general director, who could only put up a ridiculously low sum as security—viz. 20 million zloty. According to unconfirmed reports, he had borrowed this sum from a state bank.

### Compensating the Nomenklatura

The new Solidarnosc government in Poland will have its work cut out for it if it is to clean up this mess. The coalition government which is to be formed in Hungary and the reform politicians in the other countries of Eastern Europe face a comparable task. Yet I would not recommend that a great deal of time be spent tracking down bureaucratic parasites. No matter how repellent and legally dubious all such business may be, such a hunt would only divert the work of these governments from

more important tasks, namely the task of restructuring the economic system from a planned to a market economy.

I have already suggested several ways of making allowances for the nomenklatura ("Gorbachev's Way Out," Centre for Research Into Communist Economies, London, 1988). For example, retirees or those starting up their own business could be given special compensation. However this would only work if state-owned firms were taken over by new owners, whether they were private individuals, employees, or autonomous agencies. In this way the umbilical cord between politics and economics

would be severed; it would no longer be possible to run a business based on political connections.

The size of the Communist group which profits from this economic system makes these allowances necessary so as to reduce the opposition to change. These "indemnifications" are the price which has to be paid to raise the effectiveness of what was once the public sector while it is being privatized and liberalized. Thus far the various "institutional reforms" have only enriched the members of the nomenklatura at the expense of the effectiveness of the entire economy. This trend must be halted and, where necessary, reversed if the situation is ever to improve.

## GERMAN DEMOCRATIC REPUBLIC

### Resident Aliens' Numbers, Situations Discussed

90EG0132A East Berlin HORIZONT in German  
Vol 23 No 1, Jan 90 (signed to press 8 Jan 90) p 27

[Article by Gertraude Barth: "177,500 Foreigners in the GDR"]

[Text] According to accurate information from the Ministry for Internal Affairs' Main Division for Passport and Registrations, 43,033 foreigners currently maintain their permanent residence in the GDR, and 134,525 live here on approved long-term visits. This is a not a lot in comparison with other European countries (foreigners with permanent residence make up eight percent in West Germany and 14 percent in Switzerland). Among the eight million people employed in the GDR, about 150,000 are foreign citizens, which likewise is only a small percentage. Perhaps this explains why there are no authorities occupied "full time," so to speak, with the problem of foreign citizens in our country.

According to VP (police) Colonel Gerbitz, the agency responsible for foreigners is the Ministry for Internal Affairs' Main Division for Passports and Registrations. The highest rule of our foreign policy is that no one should live without work and an income, or without living quarters. This originates from the Alien Law of the GDR dating from 28 June 1979, which is still in effect today. Paragraph 4 from that law states that foreigners have the same rights as citizens of the GDR as long as they are not tied to national citizenship. Our state accepts great responsibility regarding any person seeking the necessary residence permit for a long-term visit in the GDR. A ruling has to be made within three months.

### Governmental Agreement

Generally, private reasons are given when someone applies for permanent residence in the GDR. Of the 43,033, about 11,000 citizens are from the Soviet Union, about 11,000 are from Poland and 9,000 from Hungary who are living with us on a permanent basis. There is a completely new development paving its way in Poland: about 500 Poles have applied for immigration (in the meantime, the right to work has been removed from the constitution in Poland). In order to make a conscientious decision over individual applications, the Ministry for Interior Affairs works with the Ministry for Employment and Wages; local government offices and factories must give assistance. In the last-named ministry, there is concern about how such individual employment of foreign citizens in our economy can be provided for in the future. The fact that social services are being requested must still be discussed. Then it is a broad matter of deeper understanding for foreign residents among us in order (to develop) more confident behavior with them and acceptance of strange ideas and customs.

Long-term visits are provided in our country for students, for professional training and practical experience.

This applies, for example, to artists, teachers, scientists, food service employees, and also others. By far the largest portion of those affected are staying with us on the basis of international agreements, in order to work in a factory for a specified time—four or five years. In almost 1,000 factories, 94,000 foreign workers are employed. Of them, 60,000 come from Vietnam, 16,000 are from Mozambique, 9,000 are from Cuba, 7,000 are from Poland, 1,000 are from Angola, and 1,000 are from China. Juergen Schroeter from the Ministry for Employment and Wages spoke of the mutual interest of participating countries in this form of economic cooperation, and does not want them unilaterally seen as a solution to our worker shortage problems. The foreign work force receives professional qualifications because their native countries are not currently in the position to offer them employment at all. Often, the Vietnamese are the only breadwinners of the entire family living with them. These foreign residents live among us with the same rights under the law, but still under far more difficult conditions than those of their GDR colleagues: without their families, in a dormitory, in a strange milieu. Some 85 percent of them work shifts, and the entire increase in shiftwork for the last two years was borne by them. And that is not unnoticed, either: they keep several factories functioning, which are characterized by large fluctuations (in payroll) because of their bad working conditions.

Understandably, the GDR factory that wishes to employ foreign labor must provide the appropriate requirements. That means orderly dormitories and care, lessons in the German language, professional training and appropriate assignment in the framework of his personnel assignment plan, a paid flight home. Costs are incurred. But the material side is not the only thing. I visited two Berlin factories and became acquainted with very committed men who are helping the foreigners: Director Ottokar Strahl from the REWATEX Combine, and Dr. Hartmut Stauche and Guenter Ludwig from the Elektro-Apparate Factory Combine in Berlin Treptow. They help in dealing with everyday German life, from hygiene in the dormitory to shopping in the store, to solving personal problems, to full integration into the factory. These men bring the understanding for interpersonal relationships developed over year-long visits. Understandably, these were not foreseen in the international agreements. They have great praise for the hard work and talent of their foreign employees, many of whom work with high-technology equipment.

### New Considerations

Foreign workers are used according to their abilities, and there cannot be any first-class and second-class people—these maxims are universally confirmed. According to their performance, they are paid of course, in GDR marks. Depending on the country of origin, varying portions of their income are sent to the home country. The other portion is used just as is normal with GDR citizens: for living necessities, for the purchase of consumer goods. Of course, their needs vary somewhat from

ours: they do not have an apartment to furnish, they are not trying to acquire a weekend garden plot. They want to send goods to their families, who desperately need them, and they are permitted to—up to half of their incomes, which is also according to a state limitation. In addition, the Vietnamese are not permitted to leave the GDR, in accordance with the wish of their home government.

Many things also come to light in the various discussions, including a few things which are officially specified but not always quite so taken to heart. For example, factories expect more forceful involvement with the local state organs where the construction of dormitories or provision of groceries is concerned. One could consider whether the limitations on goods which may be shipped back to the home countries should not be loosened. It would also be nice if the television would broadcast programs in the mother tongue of our foreign colleagues.

#### More Openness

It is primarily a matter of (gaining) more public attention for greater absorption of foreign guests in our social life. With the February 1989 law of voting rights in local elections, an important step was taken in this direction. There are 112 foreigners serving as elected officials, who can thereby better represent the interests of their countrymen. In the stream of our new developments, the local representatives should also generally have a greater voice regarding the question of foreigner employment, because they are ultimately responsible for developments in their territory. Change in the foreigner law legislation is being considered in the related ministries. Procedural questions and execution specifications should also be legally improved and with established supervision.

Certainly no one is planning on making the GDR an immigrant country. The increasing internationalization of our lives, the ever-closer connection between our destinies and those of other people should bring us, however, to considering living with foreigners as normal, to fighting conscientiously against prejudices. Could we then speak with justification to others about the common European house which we want to erect?

### POLAND

#### Social Aid: No Intermediaries, More Voivodship, Local Control

90EP0290A Warsaw RZECZPOSPOLITA in Polish  
19 Dec 89 p 3

[Article by (sa): "Social Assistance in a Different Way: All in One Place"]

[Text] Social assistance is now being reformed. The draft of the reform calls above all for simplified organizational

structures. Intermediaries will disappear. A person in need of help will go directly to a social worker with broader authority than in the past. The ties between assistance and basic health care will also become closer.

At a higher level, the voivodship budget will contain provisions for a social assistance group. At the basic level, the director of the gmina health service or regional dispensary will discharge these functions. Therefore, all the services, including the diagnosis of needs, financing, and organization and award of benefits, will be in the charge of a single individual. Of course, all these efforts will be carried out in close cooperation with the citizens' self-government body and social organizations.

Bringing everything together into a single organizational unit served by a professional corps of social workers will mean greater professional expertise along with a reduction in the number of employees. It is estimated that employment figures will be about 20 percent lower than in the past. Bringing all the functions together at the basic level will make it possible to cut the time it takes to handle a case.

The way state financial assistance is distributed will also change. Subsidies will go not to the institutions but to the people in need.

"We want to create strong assistance units in local social groups, in the gminas and districts," says Mieczyslaw Izdebski, the department's director at the Ministry of Health and Social Services. "We are counting on their cooperating with church and secular organizations, just as they do in other advanced countries, where there are what are called 'social service offices' at the place of residence. The local self-government body would finance all the needs, except for continuing benefits and certain subsidies for social assistance homes."

#### Homeless Unions Forming Throughout Poland

90EP0290B Warsaw RZECZPOSPOLITA in Polish  
21 Dec 89 p 3

[Article by (z): "The Homeless on the Offensive"]

[Text] The Homeless Union's chief objectives are to attack the bureaucracy that is making it difficult for small housing cooperatives to operate, to look for attics and empty space to build in, to monitor allocation decisions regarding land for building sites, and to support the Homeless Foundation's initiatives to build in old residential neighborhoods on behalf of families in an extremely serious situation.

During the press conference on 20 December, the union talked about its organizational situation and its immediate plans. As we have already indicated in RZECZPOSPOLITA, the president took over running it. Throughout Poland, homeless clubs are springing up spontaneously. They are made up primarily of young people who desire to take their housing future into their

own hands. On 28 December, representatives of these clubs will gather at 38/42 Krucza Street in Warsaw for a nationwide meeting. They will travel at their own expense because the union does not have funds for its own operations yet.

Defending the interests of the homeless is closely related to support for government housing policy and opens up opportunities for the enterprising, for those people who do not want to sit back with their hands folded, waiting for the keys to come.

10

22161

68

NTIS

ATTN: PROCESS 103

5285 PORT ROYAL RD

SPRINGFIELD, VA

22161

This is a U.S. Government publication, policy, view, or attitude of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, economic, military, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available source; it should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed, with personal and place names rendered in accordance with FBIS transliteration style.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

#### SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.